



City of Irving, Texas
FISCAL YEAR

2019-20

Comprehensive Annual Financial Report

for the Fiscal Year ended
September 30, 2020



CITY OF IRVING, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020

Prepared by the
City of Irving, Texas
Financial Services Department

CITY OF IRVING, TEXAS

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February 26, 2021

Honorable Mayor and City Council
City of Irving
Irving, Texas

Dear Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Irving, Texas, for the year ended September 30, 2020, is submitted herewith. Responsibility for the accuracy of the data, as well as the completeness and fairness of its presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of city operations on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the CAFR. The city's MD&A can be found on **Pages 5-18**, immediately following the independent auditor's report.

CITY OF IRVING PROFILE

Ideally located between Dallas and Fort Worth, Irving is a city of enormous opportunity. Irving was founded in 1903 during the height of the railroad age. Julius Otto Schulze, a field engineer in charge of a survey crew, and Otis Brown, a rod man, learned that a 32-mile stretch of railroad was being laid from Fort Worth to Dallas. The pair purchased 80 acres of land that became the original town site of Irving. After deeding a land parcel to the railroad, the two men drew up the town plat on a wagon cloth, currently preserved in city archives.

Just as the city's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the outstanding multimodal transportation systems that include an extensive highway system, commuter and freight rail lines, and the Dallas/Fort Worth International Airport, one of the busiest airports in the world, located at the city's western boundary. The Dallas Area Rapid Transit (DART) Orange Line, completed in August 2014, provides a direct link between DFW Airport and downtown Dallas through Irving. The Orange Line includes stations at two major educational institutions and the Urban Center in Las Colinas, which stands as a major employment hub. Dallas Love Field is located 10 miles to the east of the city. In 2015, J.D. Power and

Associates ranked Love Field the highest in traveler satisfaction (tied with Southwest Florida International Airport) in the medium airport category. There is unrivaled access to and from the Dallas-Fort Worth region, North America and the world.

More than 84,000 households and 240,420 residents call Irving home. Irving's Las Colinas development area is home to the largest office park in North Texas. With more than 26 million square feet of office space, 221 buildings and 7,500 businesses, Irving is a corporate powerhouse. The city's continued focus on economic development has made Irving a leading national and international business center. As a front-runner in the North Texas area for attracting and retaining top corporations, more than 10 percent of Fortune 500 companies are located here, including iconic companies such as ExxonMobil, Kimberly-Clark, and Fluor, and significant nonprofit operations like Big Brothers Big Sisters and Mothers Against Drunk Driving.

The city operates under the Council-Manager form of government. A Mayor and eight council members are responsible for enacting ordinances and resolutions establishing policy and governance of the city. The City Manager is the Chief Executive Officer and is responsible for carrying out policies approved by the City Council.

ECONOMIC CONDITIONS AND OUTLOOK

Irving covers 67.9 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived Irving locations include Las Colinas, DFW Freeport, and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and health care facilities. To encourage development in Irving, six Tax Increment Finance (TIF) Districts have been established to help spur growth in undeveloped and redeveloping areas.

Irving is the nation's 93rd largest, Texas' 13th largest, and Dallas County's third largest city, according to the U.S. Census Bureau. Five major highways traverse the city, including Interstate Highway 635, State Highways 161, 114, and 183, and President George Bush Turnpike.

The city's General Obligation Bonds, Series 2019 received the rating of "AAA" from S&P Global and "Aaa" from Moody's Investors Service.

Economic Development

The city's continued focus on economic development has made Irving a leading national and international business center. Irving's success in attracting and retaining top corporations has more than 10 percent of Fortune 500 companies to place headquarters or a corporate presence in the city. Executives of tech corporations noted that Irving's strong talent pool and college and university systems provide jobs programs and training initiatives they want and need for their employees.

Efficient building permitting processes are key to sound economic development. Exceptionally efficient processes also create a competitive advantage for business expansions and relocations. Irving's multidepartmental plan review team is a world-class operation, consistently surpassing national efficiency standards for new commercial plan reviews.

Contracts for economic development services with the Irving chambers remained the same for FY 2019-20, however, \$32,500 was shifted from the main Irving-Las Colinas Chamber of Commerce to the Sister Cities Chamber contract without any overall change in expenditures.

The city also promotes economic development by providing sales tax and property tax rebates as incentives when necessary. For FY 2019-20, the total amount of payments budgeted for development incentives was \$15.9 million, an increase of \$2.7 million or 20.5 percent increase from FY 2018-19. Job credits for FY 2019-20 were budgeted at \$1.4 million. Payment of incentives is contingent on the companies meeting specified increases in revenues, property values or number of employees based on the individual agreements. In FY 2019-20, just under \$15 million in incentives were paid out. A special revenue fund for economic development incentives was created in FY 2019-20 separate from the General Fund. The amount of incentive is determined by the business delivering increases in taxable value, revenues generated, or job growth specified in the individual agreements. The City of Irving continues to focus on projects that will facilitate economic development. Pioneer-Verizon/Hidden Ridge Development, former stadium site development, and Water Street are ongoing development projects in FY 2019-20.

Tax Increment Reinvestment Zone (TIF) 1 Participation

For FY 2019-20, the city's participation rate in the Tax Increment Reinvestment Zone (TIF) 1 decreased from 77.5 percent to 70 percent. This resulted in \$1.1 million in new revenue to the General Fund to serve as an ongoing funding source for infrastructure investment and economic development. The generated funding will be equally split between the Non-Bond CIP Fund for infrastructure projects and the Economic Development Fund for economic development efforts.

MAJOR INITIATIVES

Legislative Impacts

The 86th Texas legislative session approved several bills that will negatively impact cities and hinder the ability for city's ability to raise revenues to fund basic city services. Bills that will impact the FY 2019-20 and FY 2020-21 budget are reductions in the amount of revenue collected from telecommunications franchise fees and 3.5 percent cap on the growth of the city's property tax revenue collected from existing properties. The General Fund absorbed \$500,000 in maintenance expenditures, a traffic engineering position, and the operational expenditures for the traffic operations center due to the legislature's elimination of red-light camera traffic enforcement.

Health Insurance

The city has been proactive in managing health costs and improving employee wellness. In the past two years, the city has made significant changes to the health insurance program to reduce costs and make the city's plans comparable to other benchmark entities through premium increases and plan design changes. The impact of these changes continues to be seen, as 12-month average costs per employee for both medical and prescription claims remain relatively stable.

For FY 2019-20, no changes in plan design or health care premiums were made. A \$500 contribution to Health Savings Accounts for employees choosing the high-deductible health insurance plan was included in the adopted budget. New services added in FY 2019-20 were voluntary cancer and cardiac health screenings at no cost to the employee. Health insurance rates will remain the same for both the city and for employees and retirees without any funded premium holidays. Fund balances for the health insurance fund are projected to be over the targeted range of 30 to 50 percent of expenditures.

Enterprise Resource Planning System – Tyler Munis

The city went live and launched our new Enterprise Resource Planning System, Munis by Tyler Technologies on October 1, 2019. After years of planning, designing, and testing the functionality of the software, the city deployed Munis on time and within budget. With Munis, city staff experiences a more user-friendly interface, greater ownership of processes and information, and a replacement of paper processes and support. Phase II of the system adds human resources and payroll modules to the financial modules implemented for the current year and went live on January 1, 2021.

Census 2020 Count Committee

The city once again participated in the census count mandated by the Constitution to provide critical data that lawmakers, businesses, educators and others use to provide daily services and products to support the community. The city authorized two seasonal part-time positions to assist staff with its count efforts. The city was recognized by the U. S. Census Bureau for its work in educating, preparing and completing the census count in Irving.

Service Enhancements

Police and Fire Public Safety Enhancements

A 2018 Police Department staffing study revealed significant sworn personnel shortages and anticipated staffing needs throughout the department. The Police Department proposal identified 64 position increases, of which half were funded in FY 2018-19. The FY 2019-20 budget continues Phase II of the staffing plan funding the remaining 32 positions.

Police Sergeant (2) - Best practices dictate that patrol operations should be closely supervised, but only four of the eight patrol shifts have three Sergeants assigned to them. On a shift with only two Sergeants, if one Sergeant takes approved leave, the remaining Sergeant is responsible for up to 18 Police Officers and a geographical territory of 30-40 square miles. At peak call times, Lieutenants are often called upon to fulfill the function of a first-line supervisor.

Police Officer (20) - Despite relatively stable recruiting and hiring, and overall sworn staffing levels kept within the “attrition buffer,” the department continues to operate with numerous functional vacancies in its specialized sections. A recent reorganization provided some relief, but many vacancies remain because the department’s capacity to hire police officers has been effectively neutralized by continuous retirements. Twenty Police Officer positions were authorized in FY 2018-19. Twenty additional Police Officer positions were added in FY 2019-20 for a total increase of 40 officers over two years.

Dispatcher II (8) - There has not been an increase in the Communications personnel in years; however, overtime has steadily increased to cover staffing shortages. Additionally, programs such as Mandatory Overtime had to be implemented to cover shifts when voluntary overtime sign-ups went unfilled. Eight Dispatcher II positions were authorized in FY 2018-19. An additional eight positions were budgeted in FY 2019-20 for a total of 16 dispatchers over two years.

Animal Care Technician (2) – Adding Animal Care Technicians will improve the level of customer service and animal care in the shelter. It will also allow much needed coverage when there is staff turnover or time off so a minimum level of animal care and staffing at the shelter can be maintained. Two positions were added in FY 2018-19 with two additional positions budgeted in FY 2019-20 for a total of four technicians over two years.

Part-time Dispatchers (10) – Funding in the amount of \$30,000 was added in the FY 2019-20 budget for ten part-time dispatchers in an effort to support employee planned and emergency time off.

Part-time Mental Health Program Paramedic – Funding for a part-time Mental Health Program Paramedic was included in the FY 2019-20 budget contingent upon receipt of grant approval for continued support of the city’s mental health response.

Fire Prevention Specialist

The population of Irving has increased by 21 percent since 2000, and 881 new commercial structures have been constructed with 44.7 million additional square feet needing to be inspected on a consistent basis. In FY 2017-18, two Fire Prevention Specialists were added to meet the increased demand for inspections from the growth of commercial and multifamily properties as well as the increased inspections of events at the Toyota Music Factory. Two more positions were funded in FY 2018-19. The addition of a Fire Prevention Specialist position in FY 2019-20 is a total increase of five specialists over three years.

Infrastructure Improvements

Traffic Operations Center Operators (2)

In 2019, the City upgraded its Traffic Signal System to provide a fully integrated, wireless traffic management system. Service enhancements provided by the new system include system monitoring to improve traffic flow. Two Traffic Operations Center Operators were added in FY19-20 to operate the Traffic Operations Center.

Drainage Solutions for a Better Tomorrow

In 2018, the city completed an assessment of the city’s storm drainage system and identified infrastructure investment needs in excess of \$200 million. A Drainage Solutions for a Better Tomorrow plan was created to address those needs. The plan includes issuing approximately \$100 million in bonds to improve the storm drainage infrastructure systems over the next five years. The bonds, and additional improvements, will be funded with rate increases in the Municipal Drainage Utility (MDU) enterprise fund.

Six new positions – one MDU Development Coordinator, one Senior Civil Engineer, one Civil Engineer, two Engineering Technicians and an Engineering Inspector, were added in FY19-20 to support the Drainage Solutions for a Better Tomorrow plan.

Environmental Compliance Administrator

In 2020, a full-time Environmental Compliance Administrator position was added that is responsible for all onsite compliance monitoring to ensure compliance with the Municipal Solid Waste (MSW) permit, Air Quality permit and Site Specific Storm Water permit required by the Texas Commission on Environmental Quality (TCEQ). The personnel and operating costs of this position are offset by a reduction in professional services from third party consultants previously contracted to perform these services.

Water Utilities Utility Service Technicians (2)

The city added two full-time positions to continue meeting Texas Commission on Environmental Quality (TCEQ) requirements for water distribution system flushing and water quality. The addition of these two positions allows for daily flushing of the water distribution system increasing the total system flushing staff to three positions.

Commitment to Infrastructure

Irving Citizen's Bond Task Force Committee

In August 2019, the City Council formed a new 18-member, city council-appointed Irving Citizen's Bond Task Force Committee to develop a proposed bond program for the next 10 to 12 years. The bond program authorized and approved by voters in 2006 is projected to have residual funds in only a few of the propositions by the end of FY 2022-23. The final authorization from the 1999 bond program was issued in FY 2019-20. The Bond Task Force met over three months to propose a \$563 million bond program to submit to City Council. Due to the coronavirus pandemic, the bond election was postponed until the spring of 2021. The proposed bond program of 12 propositions included projects for streets and transportation improvements, city facilities and infrastructure, police and fire buildings, a public safety campus, animal services, parks and recreation, information technology, libraries and Arts and Culture.

Allocation of remaining City Facility Bond authorization

During the budget development process, \$88.4 million was identified for the FY 2019-20 Capital Improvement Program (CIP). The General CIP was budgeted at \$35.9 million, but was reduced to \$26.9 million due to projected lower revenues due to the COVID-19 pandemic. Funded projects include street improvements to continue the city's Road to the Future Program; parks and recreation including Heritage Park construction; Irving Boulevard gateway improvements; city facilities improvements; storage area network (SAN) servers; and a fire apparatus. Water Utilities revenue bond program was \$16.9 million for continued replacement and repair of water and waste water projects. The city will cash fund \$13.4 million in water and waste water improvement projects resulting in a reduction in debt obligations. A five-year drainage utility rate increase plan was approved by City Council to fund the Drainage Solutions for a Better Tomorrow plan allowing the issuance of \$20 million in drainage bonds per year over the next five years. The initial issuance in FY 2019-20 was lowered to \$15 million with \$25 million anticipated to be issued in FY 2020-21 to maintain the \$100 million in five year program.

FINANCIAL INFORMATION

Discussion of Controls – The city's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. We believe the controls are appropriate for the level of risk and cost of control.

Information regarding general accounting policies can be found in the Notes to Basic Financial Statements beginning on **Page 33**.

OTHER INFORMATION

Independent Audit – An annual audit is required to be made of the financial statements of the City of Irving by an independent auditor. Weaver & Tidwell LLP was engaged to perform the audit for the fiscal year ended September 30, 2020. The audit opinion is included in this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irving for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 36th consecutive year that the city has received this prestigious national award. To earn the Certificate of Achievement, the city published an easy-to-read and efficiently organized Comprehensive Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

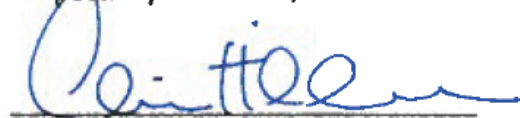
A Certificate of Achievement is valid for one year. The city believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for the 32nd consecutive year for its annual appropriated budget dated October 1, 2019. To qualify for the Budget Award, the city's budget document was judged proficient in all categories.

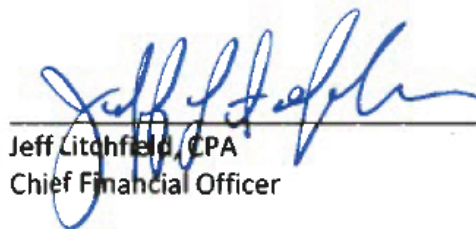
Acknowledgments – Many people are responsible for the preparation of the report, and for the maintenance of the records upon which it is based. Appreciation is expressed to city employees throughout the organization, especially those staff members in Financial Services, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,



Chris Hillman
City Manager



Jeff Litchfield, CPA
Chief Financial Officer

CITY OF IRVING, TEXAS

CITY COUNCIL

SEPTEMBER 30, 2020

Richard Stopfer, Mayor

Wm. David Palmer, Mayor Pro-Tem

Kyle Taylor, Deputy Mayor Pro-Tem

John C. Danish, Councilmember

Allan E. Meagher, Councilmember

Phil Riddle, Councilmember

Oscar Ward, Councilmember

Dennis Webb, Councilmember

Al Zapanta, Councilmember

* * * * *

Chris Hillman, City Manager

Shanae Jennings, City Secretary

Kuruvilla Oommen, City Attorney

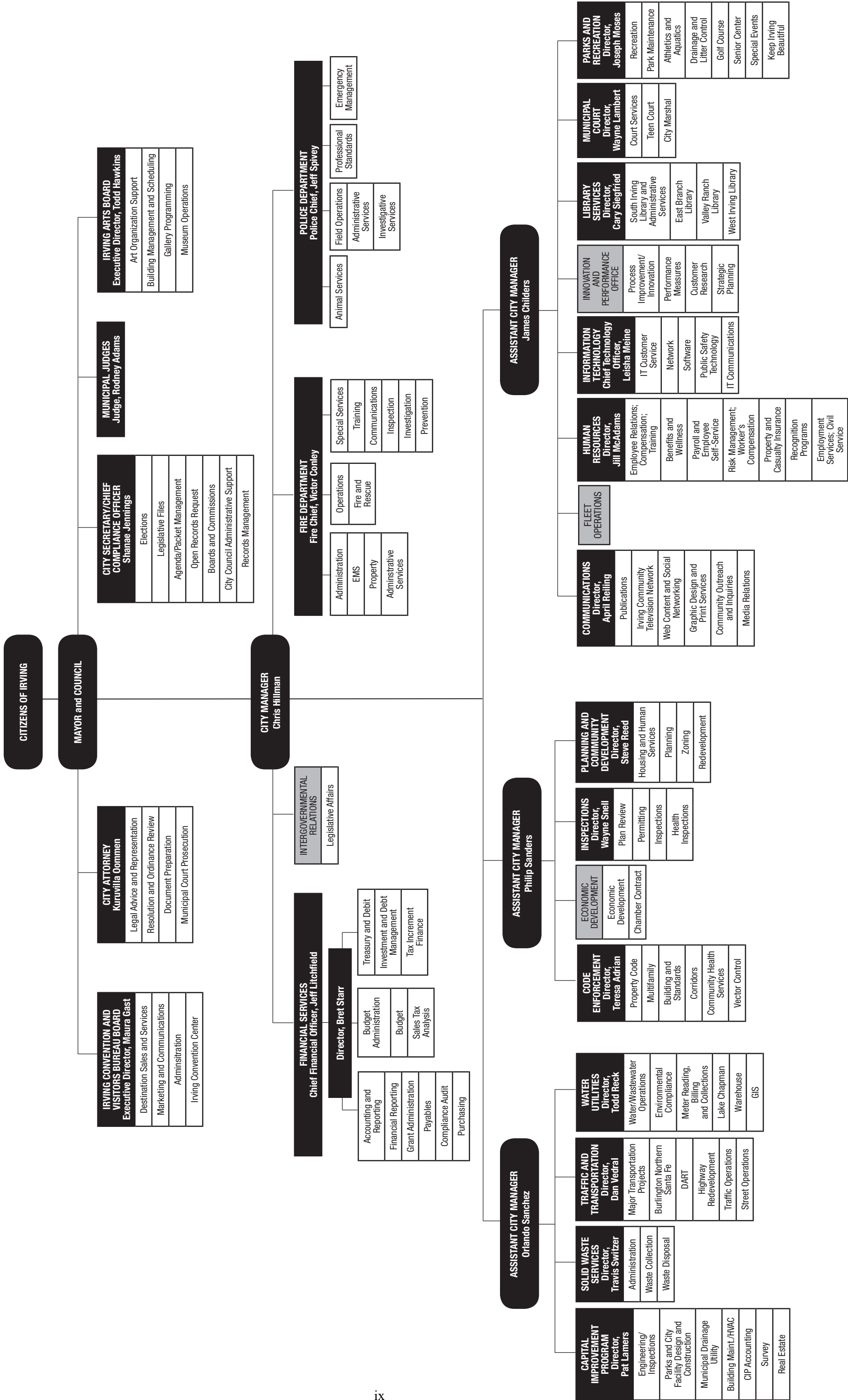
Jeff Litchfield, Chief Financial Officer

Bret Starr, Financial Services Director

Regina H. Givens, Controller

Andrew Sherwood, Accounting Manager

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Irving
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Irving, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Irving, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

The Honorable Mayor and
Members of City Council
City of Irving, Texas

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 (s) to the financial statements, beginning net position of the internal service fund has been restated to account for activities in the internal service funds that were previously accounted for in governmental funds. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and
Members of City Council
City of Irving, Texas

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 26, 2021



CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

(Unaudited)

Our discussion and analysis of the City of Irving's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements. We have also provided tables of comparative analyses of selected financial data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$1.007 billion (net position). Of this amount, \$890 million (88.4 percent) represents the net investment in capital assets. Net position restricted for specific purposes totaled \$68.9 million (6.8 percent); the remaining \$47.8 million (4.7 percent) is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$37.9 million compared to \$968.9 million last year. In relation to the COVID-19 outbreak, the City received Federal financial assistance of \$13.2 million through Dallas County to aid City efforts in providing public safety, economic assistance initiatives, sanitization services and other supplies and equipment to mitigate virus spread. Municipal Drainage service charges are higher over prior year by \$1.8 million primarily attributable to a sewer rate increase of 5.8 percent, equivalent to an overall increase of 2.6 percent in total water billing.
- The governmental funds reported combined fund balance of \$245.7 million, a decrease of \$11.4 million in comparison with prior year primarily due to a decrease in hotel occupancy taxes of \$11.4 million or 41.3 percent. Approximately 32.8 percent of this amount (\$80.7 million) is available for spending at the City's discretion (unassigned fund balance).
- The unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was \$83.2 million, or approximately 38 percent of total general fund expenditure.
- The total outstanding long-term debt increased by \$2 million primarily due to new debt issuances exceeding debt service during the fiscal year.
- The Debt Service Fund fund balance was \$22 million at year-end, which represents 40.9 percent of the annual debt service payments. Funds that are included in the Debt Service Fund can only be used for debt service.

UNDERSTANDING AND USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Irving's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

(Unaudited)

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

Features of the City of Irving's Financial Statements

Fund Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks.	Activities the City operates similar to private business, such as the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balances	- Statement of Net Position - Statement of Revenues, Expenses, and Changes in Fund Net Position - Statement of Cash Flows	- Statement of Fiduciary Net Position - Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred outflows of resources and deferred inflows of resources information	All assets, liabilities and deferred outflows and inflows of resources both financial and capital, and short-term and long-term	Current assets, liabilities and deferred outflows and inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, liabilities, deferred outflows of resources and inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; can include capital assets
Type of outflow/inflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements are designed to provide the reader with a snapshot of the City of Irving's finances and activities as a whole. The statements are similar to those found in the annual reports of private-sector businesses.

The Statement of Net Position includes all of the City's assets, liabilities, deferred outflow of resources and deferred inflow of resources, using the accrual basis of accounting. The Statement of Activities accounts for all of the revenues and expenses for the year regardless of when cash is received or paid. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors, such as changes in the property tax base and the condition of the infrastructure (roads, water and sewer lines, and buildings), should also be considered in order to assess the overall health of the City of Irving. The City's overall financial position is continuing to improve.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City of Irving are divided into two categories:

- **Governmental activities** – Most of the City's basic services are included here, such as general government, police, fire, parks and recreation, community development, municipal court, animal services, library and public works. Property taxes, sales taxes, and gross receipts taxes finance most of these activities.
- **Business-type activities** – The City charges fees to customers to help cover the costs of providing water and sanitary sewer, solid waste and municipal drainage services.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic

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services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationships (or differences) between them.

The City of Irving presents information separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service and TIF Fund, which are considered to be major funds. Information from the remaining governmental funds is combined into a single, aggregate presentation. Individual fund data is provided later in the Comprehensive Annual Financial Report.

Proprietary funds – Services for which the City charges customers for the services it provides – whether to outside customers or to other units of the City – are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the individual enterprise funds which are Water and Sanitary Sewer, Solid Waste and Municipal Drainage. All enterprise funds are considered major funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Garage and Equipment Replacement Fund, Technology Fund, and the Self-Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for its employees' Supplemental Benefit Plan and Voluntary Employee Beneficiary Association. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was \$1.007 billion as of September 30, 2020 as shown in Table 1. Net position over time as noted earlier, may serve as a useful indicator of a government's financial position. The net position for the governmental activities was \$504.9 million and business type activities was \$501.9 million. Changes in net position is shown in Table 2 for both the City's governmental and business-type activities. Note that only the unrestricted net position are available for future expenses.

CITY OF IRVING, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

Table 1

Net Position

(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 328	\$ 330	\$ 178	\$ 156	\$ 506	\$ 486
Capital assets	943	913	577	565	1,520	1,478
Total assets	<u>1,271</u>	<u>1,243</u>	<u>755</u>	<u>721</u>	<u>2,026</u>	<u>1,964</u>
Total deferred outflow of resources	<u>59</u>	<u>94</u>	<u>5</u>	<u>11</u>	<u>64</u>	<u>105</u>
Non-current liabilities outstanding	757	823	235	230	992	1,053
Other liabilities	32	23	18	19	50	42
Total liabilities	<u>789</u>	<u>846</u>	<u>253</u>	<u>249</u>	<u>1,042</u>	<u>1,095</u>
Total deferred inflow of resources	<u>36</u>	<u>5</u>	<u>5</u>	<u>1</u>	<u>41</u>	<u>6</u>
Net Position						
Net investment in capital assets	485	461	405	402	890	863
Restricted	58	58	11	12	69	70
Unrestricted	(38)	(33)	86	68	48	35
Total net position	<u>\$ 505</u>	<u>\$ 486</u>	<u>\$ 502</u>	<u>\$ 482</u>	<u>\$ 1,007</u>	<u>\$ 968</u>

The largest portion of the City's net position (88.4 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. As the City uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.8 percent) of \$68.9 million represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (4.7 percent) of \$47.8 million may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Irving was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its business-type activities. The same situation held true for the prior fiscal year. The negative unrestricted net position for the governmental activities is primarily due to the impacts of the implementation of GASB 68, *Accounting and Financial*

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and the recognition of the net pension and total OPEB liabilities, as well as, the deferred outflows and inflows of resources based on actuarial valuations. The overall effect of GASB 68 and 75 to the governmental activities unrestricted net position is a net decrease of \$155.9 million (includes the net pension and total OPEB liability and associated deferred outflows and inflows of resources). Setting aside the actuarial impacts of GASB 68 and 75, the unrestricted net position for governmental activities would be a positive \$117.9 million.

Governmental Activities

The City's program revenues for governmental activities had a decrease of \$12.2 million during the year primarily due to the effects of COVID-19 on City provided services. The general revenues reflected a net decrease of \$2.1 million compared to prior year. The net decrease was primarily attributed to a decrease in hotel occupancy taxes (\$11.4 million), franchise fees (\$2 million) and investment income (\$3.4 million), offset by an increase in property taxes (\$13.3 million). The property tax certified roll for tax year 2019 was up \$2.4 billion due to significant increases in both commercial real property values and residential values. Commercial values increased by \$13.6 billion or 8.3 percent from the prior year. Residential values also increased significantly by \$8.3 billion or 8.6 percent. Business personal property increased by \$6.5 billion or 11.96 percent. The certified roll of \$28.4 billion has increased for the past eight tax years and has surpassed the pre-recession peak of \$18.5 billion in tax year 2008. The composition of Irving's tax base is 71 percent commercial, which is a much larger proportion of the total tax base than other large cities in the Metroplex. As a result, Irving's revenues fluctuate with the business cycle to a greater extent than cities with primarily residential property bases. The business-oriented character of Irving is also reflected in hotel occupancy tax revenues, which are primarily driven by business travel. Hotel occupancy revenues decreased significantly in FY20 by \$11.4 million or 41 percent as a result of the COVID-19 outbreak. Despite this impact and change, the City maintained sales tax revenues of \$76.8 million, increasing \$39 thousand from FY19.

Expenses for governmental activities decreased by \$67 million. This is primarily attributed to one-time incentive payments in FY19 of \$58 million to the developers of the Music Factory and Water Street developments from TIF funds which were nonrecurring in FY20. Personnel related expenditures increased with the addition of 40 new full-time positions including 32 Police department positions as the second phase of a planned two-year staffing increase. Health insurance premiums remained unchanged for a third year in a row.

Business-type Activities

Business type activities had a net position increase of \$19.6 million or 4.1 percent increase for FY20. The increase in net position for FY19 was \$25.6 million. This is primarily attributed to 2.6 percent rate increase in 2019-20 for water and wastewater services. A hot, dry summer also increased water and wastewater revenues.

CITY OF IRVING, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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(Unaudited)

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 22,739	\$ 27,814	\$ 132,573	\$ 127,080	\$ 155,312	\$ 154,894
Operating grants and contributions	11,997	17,730	-	-	11,997	17,730
Capital grants and contributions	5,531	6,946	4,000	10,140	9,531	17,086
General Revenues:						
Property taxes	167,600	154,261	-	-	167,600	154,261
Sales taxes	76,774	76,735	-	-	76,774	76,735
Other taxes and fees	35,455	49,821	-	-	35,455	49,821
Intergovernmental	1,927	570	-	-	1,927	-
Investment income	4,200	7,633	1,466	3,257	5,666	10,890
Miscellaneous	-	-	76	-	76	-
Gain on sale of assets	1,108	99	-	-	1,108	99
Total revenues	<u>327,331</u>	<u>341,609</u>	<u>138,115</u>	<u>140,477</u>	<u>465,446</u>	<u>481,516</u>
Expenses:						
General government	51,261	34,703	-	-	51,261	34,703
Police	73,073	75,956	-	-	73,073	75,956
Fire	58,575	60,864	-	-	58,575	60,864
Parks and recreation	16,379	20,423	-	-	16,379	20,423
Municipal court	3,248	3,499	-	-	3,248	3,499
Library	8,219	8,500	-	-	8,219	8,500
Community development	42,742	112,261	-	-	42,742	112,261
Public works	36,879	41,445	-	-	36,879	41,445
Interest on long-term debt	19,435	19,195	-	-	19,435	19,195
Water and sanitary sewer	-	-	97,479	94,748	97,479	94,748
Solid waste	-	-	14,564	14,026	14,564	14,026
Municipal drainage	-	-	5,702	5,242	5,702	5,242
Total expenses	<u>309,811</u>	<u>376,846</u>	<u>117,745</u>	<u>114,016</u>	<u>427,556</u>	<u>490,862</u>
Increase (decrease) in net position before transfers	17,520	(35,237)	20,370	26,461	37,890	(9,346)
Transfers	800	861	(800)	(861)	-	-
Increase (decrease) in net position	18,320	(34,376)	19,570	25,600	37,890	(9,346)
Net position beginning of year	486,594	520,970	482,343	456,743	968,937	977,713
Net position end of year	<u>\$ 504,914</u>	<u>\$ 486,594</u>	<u>\$ 501,913</u>	<u>\$ 482,343</u>	<u>\$ 1,006,827</u>	<u>\$ 968,367</u>

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The governmental funds reported combined fund balances of \$245.7 million, a decrease of \$11.4 million in comparison with the prior year. Approximately 32.8 percent of this amount (\$80.7 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$12,868), 2) restricted for particular purposes (\$138.8 million), 3) committed for particular purposes (\$4.3 million), or 4) assigned for particular purposes (\$21.9 million).

The unassigned fund balance of the General Fund at the end of the year was \$83.1 million; total fund balance was \$83.2 million. The General Fund fund balance increased by \$4.1 million. The increase is primarily due to the \$12.1 million excess of revenues over expenditures being offset with net transfers out of \$8.6 million primarily to fund capital projects. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 36 percent of total general fund expenditures, while total fund balance represents approximately 38 percent of that same amount.

The TIF fund, a major governmental fund, had a \$9.1 million increase in fund balance during the current fiscal year due to property tax revenues of \$12.4 million and a decrease on community development expenditures of \$70 million associated with a nonrecurring incentive agreement disbursement in the prior year.

The Debt Service Fund, the remaining major governmental fund, had an increase in fund balance during the current year of \$1.5 million resulting from an increase in property tax revenues of \$2.8 million or 9 percent and transfers in of \$20.8 million or 7.6 percent which was offset by increased debt service expenditures.

Proprietary Funds

The Enterprise Funds reported a combined net position of \$501.9 million, an increase of \$19.6 million in comparison to the prior year. Approximately 80.7 percent of this amount (\$404.9 million) constitutes net investment in capital assets, 2.2 percent (\$11.3 million) is restricted for debt service and 17.1 percent (\$85.7 million) is unrestricted. This is primarily attributed to a 2.6 percent rate increase in 2019-20 for water and wastewater services.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2020 the City Council adopted amendments to decrease the budget for the General Fund in the net amount of \$62,177. An adjustment was made for the receipt of a donation in the amount of \$49,000 from the Tarrant County 911 and the Family Advocacy Center (FAC) to fund general police operations. The expenditure budget was also increased by the donation receipt along with an additional allocation of \$1,000 from cash reserves. An adjustment was recorded for a receipt in the amount of \$5,067 from North Central Texas Trauma Regional Advisory Council from an EMS county assistance grant to be used for fire education and training. Both the revenue and expenditure budgets were increased. The last adjustment in the net amount of \$61,177 recorded the local match from the General

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Fund for other grants such as Criminal Justice Grant, Texas Highway and Safety Grant, Justice Assistance Grant and the SAFER Grant.

Property Tax revenues for the current year were above the revised budget by approximately \$712,444. Current year taxes were 100.58 percent of the adjusted budget, while penalties and interest were \$82,616 above budget. Prior period collections were \$3,318 above budget. Based on prior year's collection history, the estimated collection rate on the tax base was set at 98.5 percent. Actual collections for the year were 99.3 percent of the amount levied.

Sales Tax revenues for FY 2019-20 were budgeted at \$72.23 million. Actual revenues were above the budgeted amount by \$1.7 million or 2.4 percent. Sales tax revenue has grown at a rate between 2.0 and 3.0 percent for the prior three years. Collections were 2.6 percent or \$2 million below prior year actuals. Revenues were below budget projection primarily due to mandated closures in March and April from the coronavirus pandemic.

Franchise Fee revenues were budgeted at \$19.2 million, and actual revenues were \$1.1 million less or 5.6 percent. The state law change enacted by the 86th Legislature limiting the amount of telecom revenue to be collected by municipalities is the primary driver for this decrease.

Fees and licenses were budgeted at \$4.1 million and actual revenues were \$1.6 million or 39.1 percent less than budget as a result of the coronavirus pandemic.

Permits and Inspections revenues for FY 2019-20 were budgeted at \$6.9 million. Actual revenues were above budget by \$2.1 million or 29.7 percent. The main driver of this increase was recording the Texas Ambulance Supplemental Payment in this category instead of Miscellaneous Revenue.

Investment income was \$579,607 or 28.2 percent below budget as the Federal Reserve lowed interest rates to near or zero in response to the coronavirus pandemic.

Fines were budgeted at \$5.6 million for FY 2019-20 with actual revenues of \$4 million or 28.0 percent less than budget. Social distancing requirements and state orders on in-person meetings which resulted in court closures is the primary driver for this reduction in revenue from projection.

Charges for Services were budgeted at \$4.3 million for FY 2019-20 with actual revenues of \$2.9 million or \$1.3 million or 30.4 percent less than budget. Facility closures in Parks and Recreation and Libraries to adhere to social distancing requirements are the primary driver for this reduction in revenue from projection.

All other revenues combined were \$10.6 million or \$638,313 million or 22.3 percent below budget. City facility closures reduced the amount of miscellaneous nontaxable revenues normally collected by the police, court, and library departments. The lack of traffic during the pandemic also reduced the wrecker fees collected compared to budget.

General Fund expenditures were budgeted at \$231.1 million and actual expenditures were \$12.8 million or 5.5 percent less than budget. In response to the coronavirus pandemic, the city identified expenditure and one-time use areas to reduce to offset projected revenue declines. The city reduced the expenditure budget by \$7 million through a hiring freeze, furloughs and facility closures, limited travel and training only

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necessary to maintain licenses and certifications, reductions in economic development grants and other operational costs identified by the departments. There was a savings in vehicle maintenance and repairs especially in fuel because of less driving and lower gas prices during the pandemic. Several business did not meet their economic development incentive agreements resulting in a savings of \$1.7 million from budget. In addition to the hiring freeze and furloughs, vacancy savings in the amount of \$4.2 million was recognized during the pandemic.

Continuing from prior fiscal years, budgetary policy remained conservative and departments were asked to continue to identify cost saving measures. Cost saving measures identified in response to COVID-19 will continue into next year's budget planning.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY2019-20, the City had \$1.5 billion invested in a broad range of capital assets including buildings, police and fire vehicles and equipment, park facilities, roads, bridges and water and sanitary sewer lines (see table 3). The total net increase (including additions and deductions) over the prior year was \$30.5 million (3.3 percent) for governmental activities and \$11.6 million (2.1 percent) in business type activities.

Table 3
Capital Assets at Year End
In thousands

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 105,285	\$ 104,113	\$ 9,139	\$ 8,871	\$ 114,424	\$ 112,984
Buildings and improvements	444,765	439,267	-	-	444,765	439,267
Equipment	144,414	136,403	-	-	144,414	136,403
Construction in progress	72,231	42,478	66,054	64,991	138,285	107,469
Infrastructure	590,951	575,440	836,028	804,003	1,426,979	1,379,443
Other	2,322	2,286	20,940	20,940	23,262	23,226
Total capital assets	1,359,968	1,299,987	932,161	898,805	2,292,129	2,198,792
Less: accumulated depreciation	416,520	386,999	355,535	333,811	772,055	720,810
Totals	\$ <u>943,448</u>	\$ <u>912,988</u>	\$ <u>576,626</u>	\$ <u>564,994</u>	\$ <u>1,520,074</u>	\$ <u>1,477,982</u>

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This year's major additions include (in millions):

Brockbank, Rochelle, Vassar Water & Wastewater Improvements	\$ 4.8
Betsy Lane Wastewater Interceptor Improvements Project	3.4
Hidalgo, Lavidia, Sam Hill Water & Wastewater Improvements	3.2
Irving Museum & Heritage Center	3.1
Steeplechase Water & Wastewater	2.9

See Notes (1) (h) and (5) for more detailed information regarding capital asset activity.

Debt

At year-end, the City had \$759 million in outstanding debt, an increase of \$2 million compared to \$757 million in the prior year, as shown in Table 4 below.

Table 4
Outstanding Debt, at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds and						
Tax notes	\$ 258	\$ 262	\$ 1	\$ -	\$ 259	\$ 262
Revenue bonds	244	256	182	174	426	430
Net premium	40	33	16	12	56	45
Lease payable	3	4	-	-	3	4
Water supply obligation	-	-	15	16	15	16
Totals	<u>\$ 545</u>	<u>\$ 555</u>	<u>\$ 214</u>	<u>\$ 202</u>	<u>\$ 759</u>	<u>\$ 757</u>

The City's general obligation debt continues to be rated Aaa by Moody's Investor Services and AAA by Standard and Poor's. The outstanding debt reported in governmental activities decreased by \$10 million during the fiscal year due to debt principal payments and refunded debt exceeding new debt and refunding issuances. The City issued \$53.23 million in General Obligation Refunding and Improvement Bonds of which \$52.21 million was governmental (\$1.015 refunded MDU bonds) where \$31.19 million was used to refund previously issued bonds. \$8.975 of the 2010 GO series and \$23.76 million of the 2011 GO series was refunded and is considered defeased and the liability has been removed for the financial statements. New money of \$21.025 million is to be used for various capital projects. The City also issued \$13.44 million in Combination Tax and Revenue Certificates for drainage improvements and land acquisition and \$3.145 million in Tax Notes for public safety and technology related equipment. Net Premiums in governmental activities increased by \$7.8 million due to \$12.8 million received from debt issuance offset by current year amortization of \$5 million.

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The outstanding debt reported in the business type activities increased by \$12 million during the fiscal year due to new debt issuances being greater than the debt principal payments. New issuances include \$34.64 million in Waterworks & Sewer New Lien Revenue Refunding Bonds for certain improvements and extensions to the City's Waterworks and Sewer System in addition to the MDU portion noted above. Debt principal payments made during the year was \$40.3 million. Net premiums increased by \$4.8 million due to \$7.1 million received from new debt issuance offset by \$3.3 million in current year amortization.

Debt information is included in sections (1) (k) and (7) of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for FY 2020-21 are budgeted at \$232.8 million, which is 0.5 percent less than last year's revised budget. FY 2020-21 includes increased property tax valuation of \$1.2 billion to \$29.6 billion while maintaining the tax rate of \$0.5941. Sales tax revenue is projected to remain flat at \$70.7 million based on projected slow recovery from the impact of the coronavirus pandemic. Other revenues were budgeted lower based on FY 2019-20 revenue projection taking into account less growth due to COVID-19. Reductions in revenue from fees, and permits have partially offset projected increases in property taxes, interest income and other fees.

The certified estimate tax roll for tax year, 2020 (affecting the 2020-21 fiscal year) is up \$1.2 billion from the prior year to \$29.9 billion as of the October Supplemental Estimated Values report. This increase is due to increases of just under \$800 million or 6.3 percent in commercial real property assessments to \$14.4 billion and residential property increases \$616 million or 8.1 percent to \$8.9 billion. Business personal property values increased by \$96 million or 1.65 percent to \$6.6 billion. New construction in the amount of \$545.4 million was added to the tax roll for tax year 2020, a reduction of 27.4 percent from the record value of new construction in tax year 2019. The tax rate was maintained at a rate of \$0.5941 per \$100 valuation. This amount will generate approximately \$4.97 million more ad valorem tax revenues for the General Fund than in FY 2019-20.

Sales tax revenues have shown steady growth over the last seven years with an increase of just over seven percent to \$76 million for FY 2018-19. This growth was maintained in FY 2019-20 during the global pandemic with revenues projected flat compared to the prior year. However, the FY 2020-21 budget for sales tax is budgeted at a lower amount of \$70.7 million to account for the uncertainty and expected slow economic recovery from the pandemic.

Franchise fees are rental fees paid by utility providers to use city-owned right of way to transmit their services. This includes cable, internet, telephone, telecommunications, electricity, natural gas, and solid waste collection/disposal providers. General Fund franchise fee revenues for FY 2020-21 are adopted at \$19.1 million, a slight reduction of 0.27 percent.

Investment income is budgeted to decrease by just under \$1.8 million from FY 2019-20 or 90.4 percent. The uncertainty of the coronavirus impact and interest rates near zero indefinitely have contributed to this reduction.

Irving continues to benefit from a growing economy in the North Central Texas region. New commercial and residential construction continues to grow the tax base and increase economic activity in the city, while presenting challenges to provide municipal services to a larger customer base. However, passage of Senate Bill 2 effective in FY 2020-21 placing a 3.5 percent cap on growth of the city's property tax revenue collected from existing properties along with the high commercial property vacancy rates as a result of the global pandemic, and completion of future developments that will reduce land build out, lessens the capacity for new revenue growth. The city primarily relies on the value of new growth to maintain current service levels for growing

CITY OF IRVING, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

(Unaudited)

commercial and residential service demands. Once the value of new growth flattens out, city services could be impacted.

City management worked with City Council to develop a fifteen-year long-range financial plan to give policy guidance and identify funding sources for future costs, including planned service enhancements in FY 2016. This plan provides a framework for discussions of city policy that will guide the development of the budget for the next several years. Revenues and expenditures are reviewed monthly and the overall economic condition of the city is balanced against departmental and resident requests in an effort to maintain existing levels of service and increase customer satisfaction while maintaining a structurally balanced budget.

In response to the coronavirus pandemic and its impact on the city's ability to provide municipal services, the Future in Focus initiative was created for the purpose of providing a five-year forward-looking plan to identify expected cost increases for services currently provided and service level changes proposed to be provided within the five year time frame. Changes to existing services and implementation of new programs and services will begin during the FY 2021-22 budget cycle.

General Fund expenditures budgeted for FY 2020-21 are \$232.8 million, reflecting 0.5 percent less than the FY 2019-20 adopted budget. In response to the COVID-19 pandemic, city departments were asked to reduce their operating budgets, and several discretionary items, including travel and training, were decreased for the upcoming year. Priorities for FY 2020-21 are to promote public safety services, strategically invest in infrastructure improvement, and support economic development that will foster fiscal and economic recovery. Service level expansions for FY 2020-21 include seven full time positions. To support city operations, an Assistant City Attorney I position was added. Public safety added two positions of a Mental Health Clinician and a Field Social Worker to provide additional resources to its mental health response. To meet the demands from an aggressive capital project infrastructure investment, the city approved four positions of a Survey Field Assistant, Survey Field Technician, Purchasing Agent and a CIP Accountant. A Court Clerk position was eliminated for efficiency purposes.

The city did not fund a Cost of Living Adjustment (COLA) for general government employees or a market adjustment for civil service in FY 2020-21 in response to the coronavirus pandemic and the projected decrease in revenues. The adopted budget did fund step increases for general government employees (\$809,953) and merit increases for civil service employees (\$494,872) for a total of \$1.3 million. However, there were changes made on the benefits side. Health insurance premiums have remained constant for past three years. For FY 2020-21 a two percent health insurance premium increase was adopted for both employees and the city with a cost increase to the city in the amount of \$267,000. The city's charter cap on pensions was removed by an election in 2019. For FY 2019-20 TMRS, SBP were funded at the actuarially determined contribution rates and FRRF contribution rate increased by 3.5 percent totaling an increase in pension contributions of \$1.7 million. Other operations and economic development base adjustments in the FY 2020-21 budget total \$1.8 million. Additional non-personnel service level expansions for public safety in the amount of \$50,000 are also included in the FY 2020-21 budget.

In the FY 2020-21 budget, a sewer rate increase of 4.5 percent which is equivalent to an overall rate increase of 2.6 percent to the total water and sewer bill. The adopted budget of approximately \$115.1 million is projected to provide funding for all operating and capital expenditures while maintaining sufficient coverage to meet debt service covenants. The primary increase in the budget is a pass-through cost of \$799,000 for sewer treatment from the Trinity River Authority (TRA). The TRA has implemented fee increases in the past several years in order to finance their own capital program. A water pipe laying crew added six new full-time positions and equipment to support capital projects repairs and construction.

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

(Unaudited)

The Solid Waste Services Fund is also an enterprise fund of the city, responsible for all operating costs associated with residential refuse collection and operation of the city's municipal landfill. Solid Waste Services continues to face several challenges, including risk management, health and safety issues, equipment replacement needs, and landfill development needs. The FY 2020-21 budget maintains the current service delivery model. There were no increases in solid waste rates or associated fees. Funding is included in the budget to review rate options. The total budget for the Solid Waste Services Fund for FY 2020-21 is approximately \$15.1 million.

The Municipal Drainage Utility (MDU) Fund is the city's third enterprise fund. In 2018, city staff performed an assessment of the city's storm drainage system. Staff identified infrastructure investment needs in excess of \$200 million. To begin to address these needs, Drainage Solutions for a Better Tomorrow, a five-year plan of rate increases to fund capital improvements was adopted. These rate increases will provide additional revenue to cash-fund smaller drainage projects, hire additional staff to design and implement projects, and finance debt for large projects.

Approximately 35 percent of additional revenues will be used to fund maintenance and operations, including cash-funding small projects and personnel costs. The remaining 65 percent of additional revenues will be used for debt service to allow the MDU to issue approximately \$100.0 million in bonds over five years for major channel and large drainage projects.

For FY 2020-21, the rate increase is an additional \$1.50 per month to the current residential base rate of \$6.00 per month or \$7.50 per month effective October 1. Rates for all other customer types will increase by an equivalent percentage monthly. Rates are proposed to increase by \$1.50 each year for the following three years of the plan.

The MDU budget increased to \$9.3 million for FY 2020-21. This increase is dedicated to non-bond capital projects and debt service.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department at City of Irving, 825 W. Irving Blvd. Irving, TX 75060 or at 972-721-2401.

City of Irving, Texas
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 155,405,329	\$ 49,475,131	\$ 204,880,460
Investments	141,082,408	37,109,385	178,191,793
Receivables (net of allowance for doubtful accounts)	25,591,550	21,677,000	47,268,550
Due from other governments	5,463,817	-	5,463,817
Inventories	98,748	407,190	505,938
Prepays	437,868	10,504	448,372
Restricted assets:			
Cash and cash equivalents	-	34,960,662	34,960,662
Investments	-	34,424,779	34,424,779
Accrued interest receivable	-	29,612	29,612
Capital assets:			
Non-depreciable	179,837,606	75,193,170	255,030,776
Depreciable (net)	763,609,632	501,433,019	1,265,042,651
Total assets	<u>1,271,526,958</u>	<u>754,720,452</u>	<u>2,026,247,410</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refundings	9,830,914	1,032,856	10,863,770
Deferred outflow from pensions	46,540,873	3,156,723	49,697,596
Deferred outflow from OPEB	2,253,543	380,344	2,633,887
Total deferred outflow of resources	<u>58,625,330</u>	<u>4,569,923</u>	<u>63,195,253</u>
LIABILITIES			
Accounts payable	11,672,900	5,176,566	16,849,466
Accrued wages & benefits	7,928,261	1,127,749	9,056,010
Accrued interest payable	1,742,254	1,283,539	3,025,793
Customer deposits	-	9,212,236	9,212,236
Unearned revenue	7,479,527	-	7,479,527
Retainage payable	1,747,833	1,123,668	2,871,501
Sundry payables	1,388,104	-	1,388,104
Non-current liabilities:			
Due within one year			
Compensated absences	3,503,072	94,919	3,597,991
Lease payable	1,444,884	-	1,444,884
Bonds payable (includes bond premium)	38,025,278	18,900,910	56,926,188
Water supply obligations	-	391,070	391,070
Liability for unpaid claims	4,558,762	-	4,558,762
Due in more than one year			
Total OPEB liability	14,260,741	2,445,771	16,706,512
Net pension liability	154,836,177	10,130,679	164,966,856
Compensated absences	31,527,650	1,261,069	32,788,719
Lease payable	1,338,725	-	1,338,725
Bonds payable (includes bond premium)	504,548,230	179,791,294	684,339,524
Water supply obligations	-	15,066,478	15,066,478
Other obligations	-	6,426,314	6,426,314
Liability for unpaid claims	3,317,894	-	3,317,894
Total liabilities	<u>789,320,292</u>	<u>252,432,262</u>	<u>1,041,752,554</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	339,372	734,076	1,073,448
Deferred inflow from pensions	34,335,248	4,002,764	38,338,012
Deferred inflow from OPEB	1,244,846	207,528	1,452,374
Total deferred inflow of resources	<u>35,919,466</u>	<u>4,944,368</u>	<u>40,863,834</u>
NET POSITION			
Net investment in capital assets	485,289,863	404,920,304	890,210,167
Restricted for:			
Capital projects	131,951	-	131,951
Debt service	20,738,279	11,260,598	31,998,877
Community development	31,574,118	-	31,574,118
Other special purposes	5,158,804	-	5,158,804
Unrestricted	(37,980,485)	85,732,843	47,752,358
Total net position	<u>\$ 504,912,530</u>	<u>\$ 501,913,745</u>	<u>\$ 1,006,826,275</u>

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Activities
Year Ended September 30, 2020

Function/Program Activities	Expenses	Program revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Primary Government:				
Governmental activities:				
General government	\$ 51,260,858	\$ 4,996,361	\$ 40,850	\$ -
Police	73,073,134	3,892,893	1,391,360	-
Fire	58,574,456	6,653,449	363,935	-
Parks and recreation	16,379,180	1,730,755	71,534	-
Municipal court	3,248,288	3,859,484	-	-
Library	8,218,821	58,856	163,481	-
Community development	42,742,225	929,948	9,965,905	1,346,807
Public works	36,879,167	616,831	-	4,184,283
Interest on long-term debt	19,435,187	-	-	-
Total governmental activities	309,811,316	22,738,577	11,997,065	5,531,090
Business-type activities:				
Water and sanitary sewer	97,478,422	108,179,102	-	3,220,729
Solid waste	14,564,138	17,197,366	-	-
Municipal drainage	5,702,181	7,197,043	-	778,928
Total business-type activities	117,744,741	132,573,511	-	3,999,657
Total primary government	\$ 427,556,057	\$ 155,312,088	\$ 11,997,065	\$ 9,530,747

General revenues:
Property taxes
Sales taxes
Franchise fees
Hotel / motel occupancy taxes
Other taxes and fees
Intergovernmental
Investment income
Miscellaneous
Gain on sale of assets
Transfers (net)
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

(continued)

See accompanying notes to basic financial statements

Net (Expense) revenue and changes in net position		
Primary government		
Governmental Activities	Business-type Activities	Total
\$ (46,223,647)	\$ -	\$ (46,223,647)
(67,788,881)	-	(67,788,881)
(51,557,072)	-	(51,557,072)
(14,576,891)	-	(14,576,891)
611,196	-	611,196
(7,996,484)	-	(7,996,484)
(30,499,565)	-	(30,499,565)
(32,078,053)	-	(32,078,053)
(19,435,187)	-	(19,435,187)
<u>(269,544,584)</u>	<u>-</u>	<u>(269,544,584)</u>
-	13,921,409	13,921,409
-	2,633,228	2,633,228
-	2,273,790	2,273,790
-	18,828,427	18,828,427
<u>(269,544,584)</u>	<u>18,828,427</u>	<u>(250,716,157)</u>
167,600,456	-	167,600,456
76,773,901	-	76,773,901
18,103,463	-	18,103,463
16,278,643	-	16,278,643
1,073,001	-	1,073,001
1,927,316	-	1,927,316
4,200,083	1,465,797	5,665,880
-	75,860	75,860
1,107,946	-	1,107,946
799,955	(799,955)	-
<u>287,864,764</u>	<u>741,702</u>	<u>288,606,466</u>
18,320,180	19,570,129	37,890,309
486,592,350	482,343,616	968,935,966
<u>\$ 504,912,530</u>	<u>\$ 501,913,745</u>	<u>\$ 1,006,826,275</u>

(concluded)

City of Irving, Texas
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	TIF	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 22,594,720	\$ 4,172,891	\$ 12,351,412	\$ 96,665,739	\$ 135,784,762
Investments	49,875,282	17,830,756	621,103	41,386,412	109,713,553
Receivables					
Taxes, net	14,159,689	458,576	-	2,588,672	17,206,937
Franchise fees	4,002,268	-	-	69,509	4,071,777
Account receivable, net	3,826,762	-	-	-	3,826,762
Accrued interest	283,929	18,310	4,513	44,890	351,642
Due from other funds	2,125,845	-	-	54,076	2,179,921
Due from other governments	363,761	-	-	5,100,056	5,463,817
Prepays	10,368	-	-	2,500	12,868
Total assets	<u>\$ 97,242,624</u>	<u>\$ 22,480,533</u>	<u>\$ 12,977,028</u>	<u>\$ 145,911,854</u>	<u>\$ 278,612,039</u>
LIABILITIES					
Accounts payable	\$ 3,633,018	\$ -	\$ 386,929	\$ 4,457,544	\$ 8,477,491
Accrued wages and benefits	7,267,203	-	-	327,609	7,594,812
Other payables	1,105,893	-	-	279,510	1,385,403
Due to other funds	-	-	-	2,179,921	2,179,921
Retainage payable	-	-	-	1,747,833	1,747,833
Unearned revenue	-	-	-	7,479,527	7,479,527
Total liabilities	<u>12,006,114</u>	<u>-</u>	<u>386,929</u>	<u>16,471,944</u>	<u>28,864,987</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,990,296	458,576	-	1,584,487	4,033,359
	<u>1,990,296</u>	<u>458,576</u>	<u>-</u>	<u>1,584,487</u>	<u>4,033,359</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Prepaid assets	10,368	-	-	2,500	12,868
Restricted					
Communication systems	-	-	-	5,322,507	5,322,507
Community development	-	-	12,590,099	23,353,968	35,944,067
Court	-	-	-	2,123,103	2,123,103
Fire	-	-	-	93,005	93,005
Fire facilities	-	-	-	2,109,238	2,109,238
Library	-	-	-	243,985	243,985
Parks and recreation	-	-	-	10,262,297	10,262,297
Police	-	-	-	2,706,909	2,706,909
Public works	-	-	-	57,938,072	57,938,072
Retirement of g.o. bonds and tax notes	-	12,695,095	-	-	12,695,095
Retirement of revenue bonds	-	2,696,448	-	-	2,696,448
Retirement of special revenue bonds	-	6,630,414	-	-	6,630,414
Committed					
Community development	100,000	-	-	4,198,200	4,298,200
Assigned					
Community development	-	-	-	683,775	683,775
Parks and Recreation	70,873	-	-	1,076,847	1,147,720
Public works	-	-	-	17,797,905	17,797,905
Other capital projects	-	-	-	2,314,593	2,314,593
Unassigned	83,064,973	-	-	(2,371,481)	80,693,492
Total fund balances	<u>\$ 83,246,214</u>	<u>\$ 22,021,957</u>	<u>\$ 12,590,099</u>	<u>\$ 127,855,423</u>	<u>\$ 245,713,693</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 97,242,624</u>	<u>\$ 22,480,533</u>	<u>\$ 12,977,028</u>	<u>\$ 145,911,854</u>	<u>\$ 278,612,039</u>

See accompanying notes to the basic financial statements.

City of Irving, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2020

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances--governmental funds	\$ 245,713,693
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Receivables not measurable and available within 60 days after year-end are not considered to be current financial resources and therefore are not recognized as revenue by the funds:	4,033,359
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	105,285,680	
Works of art	2,323,215	
Construction in progress	72,228,710	
Buildings and improvements	444,616,324	
Equipment	77,765,436	
Infrastructure assets	590,951,565	
Accumulated depreciation	<u>(367,760,833)</u>	925,410,097

Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and technology, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	52,559,887
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Long-term liabilities, including bonds payable, net pension liabilities and others are not due and payable in the current period and therefore are not reported in the fund financial statements. Long-term liabilities at year-end consist of:

Bonds, certificates and tax notes payable	(502,130,000)	
Bond premiums	(40,443,508)	
Net pension liability	(152,319,071)	
Total OPEB liability	(13,759,546)	
Lease Payable	(198,873)	
Compensated absences	(35,030,722)	
Accrued interest	<u>(1,742,254)</u>	(745,623,974)

Deferred outflows of resources and deferred inflows of resources represent flows of resources attributable to future periods and, therefore, are not reported in the fund financial statements. These consist of the following:

Deferred pension outflows (GASB 68)	45,864,433	
Deferred OPEB outflows (GASB 75)	2,174,526	
Deferred charge on refunding	9,830,914	
Deferred pension inflows (GASB 68)	(33,509,758)	
Deferred OPEB inflows (GASB 75)	(1,201,275)	
Deferred gain on refunding	<u>(339,372)</u>	<u>22,819,468</u>

Net position of governmental activities.	<u><u>\$ 504,912,530</u></u>
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See accompanying notes to the basic financial statements.

City of Irving, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Debt Service	TIF	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 200,519,315	\$ 33,679,087	\$ 12,410,068	\$ 33,287,220	\$ 279,895,690
Fees, licenses, permits and inspections	11,440,293	-	-	-	11,440,293
Fines, forfeitures, and penalties	3,999,544	-	-	282,308	4,281,852
Charges for services	2,968,381	-	-	1,375,847	4,344,228
Intergovernmental	7,672,411	-	348,213	14,446,735	22,467,359
Investment income	1,472,894	567,847	84,788	1,517,370	3,642,899
Miscellaneous	2,293,152	-	-	823,132	3,116,284
Total revenues	<u>230,365,990</u>	<u>34,246,934</u>	<u>12,843,069</u>	<u>51,732,612</u>	<u>329,188,605</u>
EXPENDITURES					
Current:					
General government	46,542,965	194,374	-	878,224	47,615,563
Police	69,434,129	-	-	1,754,300	71,188,429
Fire	49,889,419	-	-	2,538,271	52,427,690
Parks and recreation	15,621,929	-	-	1,151,942	16,773,871
Municipal court	2,907,096	-	-	281,440	3,188,536
Library	7,095,100	-	-	144,482	7,239,582
Community development	6,138,325	-	1,220,235	36,918,972	44,277,532
Public works	20,684,528	-	-	164,788	20,849,316
Debt service:					
Principal retirement	-	30,840,000	-	-	30,840,000
Interest and other charges	-	22,903,465	-	257,331	23,160,796
Contract payments	-	144,129	-	-	144,129
Capital outlay	-	-	-	52,212,349	52,212,349
Total expenditures	<u>218,313,491</u>	<u>54,081,968</u>	<u>1,220,235</u>	<u>96,302,099</u>	<u>369,917,793</u>
Excess (deficiency) of revenues over expenditures	<u>12,052,499</u>	<u>(19,835,034)</u>	<u>11,622,834</u>	<u>(44,569,487)</u>	<u>(40,729,188)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,488,975	20,767,693	-	5,583,899	27,840,567
Transfers out	(10,117,593)	-	(2,482,542)	(14,402,991)	(27,003,126)
Issuance of general obligation, tax notes and certificate of obligation bonds	-	101,461	-	24,068,539	24,170,000
Issuance of refunding bonds	-	62,420,000	-	-	62,420,000
Premium on bonds issued	-	9,655,639	-	3,114,246	12,769,885
Payments to refund escrow	-	(71,570,000)	-	-	(71,570,000)
Proceeds from sale of capital assets	718,651	-	-	-	718,651
Total other financing sources (uses)	<u>(7,909,967)</u>	<u>21,374,793</u>	<u>(2,482,542)</u>	<u>18,363,693</u>	<u>29,345,977</u>
Net change in fund balances	4,142,532	1,539,759	9,140,292	(26,205,794)	(11,383,211)
Fund balances - beginning	79,103,682	20,482,198	3,449,807	154,061,217	257,096,904
Fund balances - ending	<u>\$ 83,246,214</u>	<u>\$ 22,021,957</u>	<u>\$ 12,590,099</u>	<u>\$ 127,855,423</u>	<u>\$ 245,713,693</u>

See accompanying notes to the basic financial statements.

City of Irving, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ (11,383,211)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay exceeded depreciation in the current period.

Capital outlay expenditures	56,511,850	
Depreciation expense	<u>(29,606,784)</u>	26,905,066

Revenues on the statement of activities that do not provide current financial resources are not recognized and reported as revenues in the funds.

Change in unavailable revenues	1,257,222	
Capital contributions	<u>2,852,353</u>	4,109,575

The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	(86,590,000)	
Premium on bonds issued	(12,769,885)	
Payment to refunding bond escrow agent	71,570,000	
Bond principal retirement	30,840,000	
Lease payment	72,077	
Other long-term obligation payment	976,038	
Premium and deferred charge on refunding amortization	<u>3,658,819</u>	7,757,049

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount is the net effect of these differences.

Increase in accrued interest on bonds payable	(72,827)	
Increase in compensated absences	(1,133,441)	
Net change in pension activity	(8,915,623)	
Net change in OPEB activity	<u>(344,413)</u>	(10,466,304)

Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and technology, to individual funds.

Change in net position of the internal service funds		<u>1,398,005</u>
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Change in net position of governmental activities		<u><u>\$ 18,320,180</u></u>
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See accompanying notes to the basic financial statements.

City of Irving, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities- enterprise funds				Governmental Activities
	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Current assets - unrestricted:					
Cash and cash equivalents	\$ 40,927,841	\$ 5,484,296	\$ 3,062,994	\$ 49,475,131	\$ 19,620,567
Investments	32,122,697	4,486,952	499,736	37,109,385	31,368,855
Account receivable, net	17,990,350	2,330,404	1,241,192	21,561,946	32,781
Accrued interest	103,754	10,988	312	115,054	101,651
Inventories, at cost	407,190	-	-	407,190	98,748
Prepays	10,504	-	-	10,504	425,000
Total current assets - unrestricted	<u>91,562,336</u>	<u>12,312,640</u>	<u>4,804,234</u>	<u>108,679,210</u>	<u>51,647,602</u>
Current assets - restricted:					
Cash and cash equivalents	23,955,115	-	11,005,547	34,960,662	-
Investments	22,965,047	-	3,656,083	26,621,130	-
Accrued interest	22,650	-	940	23,590	-
Total current assets - restricted	<u>46,942,812</u>	<u>-</u>	<u>14,662,570</u>	<u>61,605,382</u>	<u>-</u>
Total current assets	<u>138,505,148</u>	<u>12,312,640</u>	<u>19,466,804</u>	<u>170,284,592</u>	<u>51,647,602</u>
Noncurrent assets:					
Investments	6,753,139	-	1,050,510	7,803,649	-
Accrued interest	6,022	-	-	6,022	-
Land	7,794,895	1,007,261	337,155	9,139,311	-
Water rights	20,939,506	-	-	20,939,506	-
Plant/infrastructure	734,130,473	30,582,900	71,314,446	836,027,819	-
Buildings	-	-	-	-	147,980
Equipment	-	-	-	-	66,647,242
Construction in progress	63,440,000	32,409	2,581,450	66,053,859	-
Accumulated depreciation	(318,476,178)	(9,639,491)	(27,418,637)	(355,534,306)	(48,758,080)
Total noncurrent assets	<u>514,587,857</u>	<u>21,983,079</u>	<u>47,864,924</u>	<u>584,435,860</u>	<u>18,037,142</u>
Total assets	<u>653,093,005</u>	<u>34,295,719</u>	<u>67,331,728</u>	<u>754,720,452</u>	<u>69,684,744</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,032,856	-	-	1,032,856	-
Deferred outflows from pensions	2,029,323	901,921	225,479	3,156,723	676,440
Deferred outflows from OPEB	237,050	116,955	26,339	380,344	79,017
Total deferred outflows of resources	<u>3,299,229</u>	<u>1,018,876</u>	<u>251,818</u>	<u>4,569,923</u>	<u>755,457</u>
LIABILITIES					
Current liabilities:					
Current liabilities - unrestricted:					
Accounts payable	3,816,477	901,848	208,065	4,926,390	3,195,409
Accrued wages and benefits	679,318	341,203	107,228	1,127,749	333,449
Lease payable-Current	-	-	-	-	1,366,163
Other payables	-	-	-	-	2,701
Retainage payable	394,482	-	-	394,482	-
Meter deposits	9,185,880	-	-	9,185,880	-
Compensated absences payable	57,515	28,438	8,966	94,919	-
Estimated liability for unpaid claims	-	-	-	-	4,558,762
Total current liabilities - unrestricted	<u>14,133,672</u>	<u>1,271,489</u>	<u>324,259</u>	<u>15,729,420</u>	<u>9,456,484</u>
Current liabilities - restricted:					
Account payable	250,176	-	-	250,176	-
Retainage payable	729,186	-	-	729,186	-
Escrow deposits	26,356	-	-	26,356	-
Accrued interest payable	1,211,775	-	71,764	1,283,539	-
Water supply obligations	391,070	-	-	391,070	-
Revenue bonds	18,031,807	-	869,103	18,900,910	-
Total current liabilities - restricted	<u>20,640,370</u>	<u>-</u>	<u>940,867</u>	<u>21,581,237</u>	<u>-</u>
Total current liabilities	<u>34,774,042</u>	<u>1,271,489</u>	<u>1,265,126</u>	<u>37,310,657</u>	<u>9,456,484</u>
Noncurrent liabilities:					
Compensated absences payable	764,127	377,819	119,123	1,261,069	-
Lease payable	-	-	-	-	1,218,574
Revenue bonds	162,254,430	-	17,536,864	179,791,294	-
Water supply obligations	15,066,478	-	-	15,066,478	-
Net Pension Liability	6,229,287	2,768,572	1,132,820	10,130,679	2,517,106
Total OPEB Liability	1,503,586	775,120	167,065	2,445,771	501,195
Landfill closure and post closure payable	-	6,426,314	-	6,426,314	-
Estimated liability for unpaid claims	-	-	-	-	3,317,894
Total noncurrent liabilities	<u>185,817,908</u>	<u>10,347,825</u>	<u>18,955,872</u>	<u>215,121,605</u>	<u>7,554,769</u>
Total liabilities	<u>220,591,950</u>	<u>11,619,314</u>	<u>20,220,998</u>	<u>252,432,262</u>	<u>17,011,253</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	734,076	-	-	734,076	-
Deferred inflows from pensions	2,599,588	1,155,372	247,804	4,002,764	825,490
Deferred inflows from OPEB	130,714	62,290	14,524	207,528	43,571
Total deferred inflows of resources	<u>3,464,378</u>	<u>1,217,662</u>	<u>262,328</u>	<u>4,944,368</u>	<u>869,061</u>
NET POSITION					
Net investment in capital assets	354,528,397	21,983,079	28,408,828	404,920,304	15,452,404
Restricted for:					
Debt service	10,476,574	-	784,024	11,260,598	-
Unrestricted	<u>67,330,935</u>	<u>494,540</u>	<u>17,907,368</u>	<u>85,732,843</u>	<u>37,107,483</u>
Total net position	<u>\$ 432,335,906</u>	<u>\$ 22,477,619</u>	<u>\$ 47,100,220</u>	<u>\$ 501,913,745</u>	<u>\$ 52,559,887</u>

See accompanying notes to the basic financial statements.

City of Irving, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities- enterprise funds				Governmental Activities
	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 108,179,102	\$ 17,197,366	\$ 7,197,043	\$ 132,573,511	\$ 56,769,842
Miscellaneous	-	75,860	-	75,860	151,651
Total operating revenues	<u>108,179,102</u>	<u>17,273,226</u>	<u>7,197,043</u>	<u>132,649,371</u>	<u>56,921,493</u>
OPERATING EXPENSES					
Water purchases	10,030,950	-	-	10,030,950	-
Sewer treatment cost	28,908,169	-	-	28,908,169	-
Personnel services	13,670,579	7,437,860	2,097,630	23,206,069	6,678,694
Contractual services	2,608,582	1,267,977	96,083	3,972,642	3,131,667
Supplies	3,454,848	131,045	126,156	3,712,049	7,902,086
Maintenance	3,041,619	2,316,472	975,275	6,333,366	4,600,916
Light and power	2,561,250	-	-	2,561,250	13,186
Depreciation	18,478,891	1,707,504	1,545,728	21,732,123	4,117,844
Sundry charges	460,422	-	-	460,422	-
Administrative charges	6,483,522	939,643	208,605	7,631,770	-
Claims	-	-	-	-	26,096,648
Other	1,373,203	763,637	243,327	2,380,167	681,264
Insurance premiums	-	-	-	-	3,166,064
Interest and fiscal charges	-	-	-	-	31,593
Total operating expenses	<u>91,072,035</u>	<u>14,564,138</u>	<u>5,292,804</u>	<u>110,928,977</u>	<u>56,419,962</u>
Operating income	<u>17,107,067</u>	<u>2,709,088</u>	<u>1,904,239</u>	<u>21,720,394</u>	<u>501,531</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,340,153	92,161	33,483	1,465,797	557,184
Interest and fiscal charges	(6,406,387)	-	(409,377)	(6,815,764)	(38,454)
Gain on sale of capital assets	-	-	-	-	415,230
Total nonoperating revenues (expenses)	<u>(5,066,234)</u>	<u>92,161</u>	<u>(375,894)</u>	<u>(5,349,967)</u>	<u>933,960</u>
Income before transfers	12,040,833	2,801,249	1,528,345	16,370,427	1,435,491
Capital contributions	3,220,729	-	778,928	3,999,657	-
Transfers in	-	-	-	-	1,500,000
Transfers out	-	(799,955)	-	(799,955)	(1,537,486)
	<u>3,220,729</u>	<u>(799,955)</u>	<u>778,928</u>	<u>3,199,702</u>	<u>(37,486)</u>
Change in net position	<u>15,261,562</u>	<u>2,001,294</u>	<u>2,307,273</u>	<u>19,570,129</u>	<u>1,398,005</u>
Net position - beginning	417,074,344	20,476,325	44,792,947	482,343,616	52,865,179
Change in accounting principle	-	-	-	-	(1,703,297)
Net position - as adjusted	417,074,344	20,476,325	44,792,947	482,343,616	51,161,882
Net position - ending	<u>\$ 432,335,906</u>	<u>\$ 22,477,619</u>	<u>\$ 47,100,220</u>	<u>\$ 501,913,745</u>	<u>\$ 52,559,887</u>

See accompanying notes to the basic financial statements.

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities- enterprise funds				Governmental Activities
	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 112,760,319	\$ 16,272,769	\$ 6,368,644	\$ 135,401,732	\$ 56,752,264
Payment to insurance claims	-	-	-	-	(25,847,063)
Payments to suppliers	(60,719,895)	(4,506,402)	(1,777,582)	(67,003,879)	(14,498,445)
Payments to employees	(13,009,271)	(7,081,327)	(2,000,200)	(22,090,798)	(4,578,439)
Cash received from miscellaneous operating activities	-	-	-	-	151,648
Other payments	-	-	-	-	(2,536,319)
Net cash provided by operating activities	<u>39,031,153</u>	<u>4,685,040</u>	<u>2,590,862</u>	<u>46,307,055</u>	<u>9,443,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	-	-	-	1,500,000
Transfer to other funds	-	(799,955)	-	(799,955)	(1,537,486)
Net cash used in noncapital financing activities	<u>-</u>	<u>(799,955)</u>	<u>-</u>	<u>(799,955)</u>	<u>(37,486)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of revenue bonds	12,325,000	-	13,440,000	25,765,000	-
Premium received on sale of bonds	5,088,899	-	1,998,697	7,087,596	-
Principal payment on lease payable	-	-	-	-	(1,576,100)
Interest payment on lease payable	-	-	-	-	(38,454)
Proceeds from sale of capital assets	-	-	-	-	415,230
Principal paid on revenue bonds	(16,525,000)	-	(430,000)	(16,955,000)	-
Principal paid on water supply rights	(378,749)	-	-	(378,749)	-
Interest paid on revenue bonds / water supply rights	(7,931,104)	-	(354,458)	(8,285,562)	-
Acquisition of capital assets	(24,918,550)	(2,711,927)	(1,734,433)	(29,364,910)	(5,271,408)
Net cash provided by (used in) capital and related financing activities	<u>(32,339,504)</u>	<u>(2,711,927)</u>	<u>12,919,806</u>	<u>(22,131,625)</u>	<u>(6,470,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	1,735,384	104,516	46,950	1,886,850	720,589
Purchase of investments	(92,721,797)	(6,960,872)	(5,934,558)	(105,617,227)	(43,735,314)
Maturity of investments	80,559,345	5,481,188	1,880,190	87,920,723	43,200,196
Net cash provided by (used in) investing activities	<u>(10,427,068)</u>	<u>(1,375,168)</u>	<u>(4,007,418)</u>	<u>(15,809,654)</u>	<u>185,471</u>
Net increase (decrease) in cash and cash equivalents	(3,735,419)	(202,010)	11,503,250	7,565,821	3,120,899
Cash and cash equivalents - beginning of year	68,618,375	5,686,306	2,565,291	76,869,972	18,202,965
Restatement, change in accounting principle	-	-	-	-	(1,703,297)
Cash and cash equivalents - end of the year	<u>64,882,956</u>	<u>5,484,296</u>	<u>14,068,541</u>	<u>84,435,793</u>	<u>19,620,567</u>
Classified as:					
Current assets - unrestricted	40,927,841	5,484,296	3,062,994	49,475,131	19,620,567
Current assets - restricted	23,955,115	-	11,005,547	34,960,662	-
Total	<u>\$ 64,882,956</u>	<u>\$ 5,484,296</u>	<u>\$ 14,068,541</u>	<u>\$ 84,435,793</u>	<u>\$ 19,620,567</u>

(continued)

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities- enterprise funds				Governmental Activities
	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating Income	\$ 17,107,067	\$ 2,709,088	\$ 1,904,239	\$ 21,720,394	\$ 501,531
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	18,478,891	1,707,504	1,545,728	21,732,123	4,117,844
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable	4,628,640	(1,000,457)	(828,400)	2,799,783	(32,781)
Decrease inventory	-	-	-	-	30,499
Decrease in prepaids	-	-	-	-	15,200
Decrease in deferred outflow from pensions	3,535,112	1,571,160	458,315	5,564,587	7,354
Increase in deferred outflow from OPEB	(80,619)	(38,629)	(8,958)	(128,206)	(61,636)
Increase in landfill closure and post closure payable	-	386,166	-	386,166	-
Increase (decrease) in accounts payable	(2,099,775)	526,207	(123,549)	(1,697,117)	2,513,116
Decrease in other payables	-	-	-	-	(51,603)
Increase (decrease) in retainage payable	255,035	-	(2,473)	252,562	-
Increase in OPEB payable	56,975	28,384	6,331	91,690	340,461
Increase (decrease) in pension liability	(5,335,282)	(2,371,237)	(592,809)	(8,299,328)	791,477
Increase in salaries & Benefits Payable	129,329	120,379	36,210	285,918	219,637
Increase in estimated liability for unpaid claims	-	-	-	-	249,586
Increase in deferred inflow from pensions	2,294,820	1,019,920	189,455	3,504,195	767,141
Increase in deferred inflow from OPEB	60,960	26,555	6,773	94,288	35,820
Net cash provided by operating activities	<u>\$ 39,031,153</u>	<u>\$ 4,685,040</u>	<u>\$ 2,590,862</u>	<u>\$ 46,307,055</u>	<u>\$ 9,443,646</u>

See accompanying notes to the basic financial statements.

(concluded)

City of Irving, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Pension	Agency fund
	trust funds	Cash bond
ASSETS		
Cash and cash equivalents	\$ 4,751,349	\$ 4,685
Account receivable	160,193	-
Accrued interest	78,902	-
Investments		
Federal	5,570,668	-
Common Stock	15,805,796	-
Foreign Stock	9,108,018	-
Alternative Investment hedge Fund	14,673,843	-
Mutual Funds	19,106,689	-
Corporate Bonds	4,763,613	-
Foreign Bonds	275,581	-
Total assets	<u>74,294,652</u>	<u>4,685</u>
LIABILITIES		
Other payable	-	4,685
Total liabilities	<u>-</u>	<u>4,685</u>
NET POSITION		
Restricted for:		
Pensions	74,294,652	-
Total net position	<u><u>\$ 74,294,652</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

City of Irving, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Pension trust funds
ADDITIONS	
Contributions:	
Employee contributions	\$ 2,863,813
Employer contributions	2,445,741
Total contributions	<u>5,309,554</u>
Investment earnings:	
Net increase in fair value of investments	2,841,705
Investment income	2,997,204
Total investment earnings	<u>5,838,909</u>
Less investment costs:	
Investment expense	325,126
Net investment earnings	<u>5,513,783</u>
Total additions	<u>10,823,337</u>
DEDUCTIONS	
Benefits and refunds paid	3,707,673
Administrative costs	106,289
Total deductions	<u>3,813,962</u>
Net increase in fiduciary net position	7,009,375
Net Position -- beginning of the year	67,285,277
Net Position -- end of the year	<u><u>\$ 74,294,652</u></u>

See accompanying notes to the basic financial statements.

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

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CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

(1) Summary of Significant Accounting Policies

The City of Irving, Texas (the City), was incorporated in 1914 under Article XI of the Constitution of the State of Texas (Home-Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

(a) Reporting Entity

The City is a municipality governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City based upon the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Generally, GASB Statements No. 14 and GASB Statement No. 61 require entities upon which the City is able to impose its will, or that are fiscally dependent upon the City, to be included in the City's financial reporting entity. Additionally, those entities that the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading, should also be included in the City's reporting entity.

Blended Component Units – Those entities that meet the above-established criteria for inclusion, as well as either of the following criteria: (1) provide services entirely or almost entirely for the City, or (2) whose board is substantively the same as the City's Council, and (a) the primary government and the component unit have a financial benefit or burden relationship or (b) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit are required to be included as part of the primary government's financial statements through "blended" presentation. The entities that meet the above-established criteria for inclusion as a blended component unit are:

City of Irving Supplemental Benefit Plan (SBP) – The board consists of nine members of which five are elected by employees and four are appointed by Council resolution. The Irving City Council adopts the budget for SBP and sets the employee and employer contribution rates based upon actuarial valuations. The Irving City Council is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The SBP is a fiduciary fund and does not have separately issued financial statements.

City of Irving Voluntary Employee Beneficiary Association (VEBA) – The Irving City Council adopts the budget for the VEBA and sets the employee and employer contribution rates.

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

The Irving City Council is authorized to establish benefit levels and approve assumptions used in the determination of contribution levels. VEBA is a fiduciary fund and does not have separately issued financial statements.

Irving Housing Finance Corporation (IHFC) – The IHFC was incorporated in November 2006 for the purpose of benefiting and accomplishing public purposes of, and on behalf of, the City. The IHFC board is comprised of the City Council members, with the Mayor acting as President. All IHFC transactions are reviewed by the Executive Director of the Housing and Human Services Department and the IHFC Treasurer (City's Chief Financial Officer) who are employees of the City. IHFC is "blended" in the City's financial statements, as a special revenue fund, and does not have separately issued financial statements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital

CITY OF IRVING, TEXAS
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assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund applies the accrual basis of accounting but has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits and sales tax overpayments are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources. Payments to refunded bond escrow agent are reported as other financing uses.

Property taxes, sales taxes, hotel occupancy taxes, franchise fees, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Funds

Governmental funds are those through which most governmental functions typically are financed. The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments from 2021 through 2053. The City’s property tax is levied, in part, to finance the debt service agreements of the general obligation bonds.

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TIF Fund – The TIF fund accounts for the resources and expenditures incurred in administering Tax Increment Financing (TIF) programs. The City has 6 TIFs to support economic development and finance public infrastructure.

Proprietary funds are used for services for which the City charges customers whether to outside customers or other units of the City. The City reports the following major proprietary funds:

Water and Sanitary Sewer Fund – The Water and Sanitary Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, financing and related debt service, and billing and collections.

Solid Waste Fund - The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, and financing and related debt service.

Municipal Drainage – The Municipal Drainage Utility Fund accounts for fees assessed to property owners for improvements to the storm water drainage system and to provide for treatment facilities as required by federal legislation.

Additionally, the City reports the following funds:

Internal service funds account for garage and technology, the City's self-insurance programs and technology provided to other departments of the City, on a cost reimbursement basis. These funds primarily support governmental activities.

The pension trust funds account for the activities of the Supplemental Benefit Plan and the Voluntary Employee Beneficiary Association, which accumulate resources for pension-related benefits to qualified City employees and an agency fund to account for cash bond funds.

(c) *Cash, Cash Equivalents, and Investments*

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury including its agencies and instrumentalities, municipal bonds, and investment pools consisting of U.S. Treasury obligations, repurchase agreements, commercial paper, and mutual funds.

The City's policy is to record investments with maturities of one year or less at the time of purchase at amortized cost. All other investments are recorded at fair value. It is the City's (exclusive of the SBP Fund) practice to hold all investments to maturity.

Trustees for the SBP are authorized to invest in fixed income, U.S. equities, non-U.S. equities, real estate, and alternative investments.

(d) *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investment pools to be cash equivalents.

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(e) Inventories

Inventories are recorded as expenditures in governmental funds at the time of purchase and accordingly, have not been reported on the governmental funds Balance Sheet. Inventories for the proprietary funds consist of fuel and parts, and are recorded at cost using the first in/first out method.

(f) Inter-fund Transactions

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from” or “due to” other funds, as they are expected to be repaid within one year. Internal amounts due between governmental and business type activities as of the end of the year are reflected within the government-wide financial statements.

Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. Reimbursement for services provided by the General Fund to the enterprise funds are recorded as revenues and expenses respectively.

Eliminations are made in the Statement of Activities to remove the doubling-up effect of internal service fund activity. The effects of similar internal events that are, in effect, allocations of overhead expenses from one function to another or are within the same function are eliminated. The effect of inter-fund services provided and used between functions is not eliminated in the Statement of Activities. Internal service fund asset and liability balances that are not eliminated in the Statement of Net Position are reported in the governmental activities column.

(g) Water Supply Rights

Water supply rights represent the City’s contractual rights to utilize water at Lake Chapman for municipal and industrial use. The City began receiving water from Lake Chapman during fiscal year 2003. Water rights are being amortized on a straight-line basis over the term of the related obligation of 50 years. See notes 1(k) and 8 for additional information regarding the City’s contractual obligations.

(h) Capital Assets

Capital assets are defined by the government as those tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost if original cost is not available (estimated fair value, plus any ancillary charges, at time of receipt for assets contributed). Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than

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most capital assets. Donated capital assets, donated works of art (and similar items), and capital assets received in a service concession arrangement are reported at acquisition value.

The City of Irving's capitalization threshold for capital assets is \$5,000. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations as incurred whereas improvements and betterments that extend the useful lives of capital assets are capitalized. Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (such as land, land improvements and art work). Capital assets that are being or have been depreciated are reported net of accumulated depreciation in the Statement of Net Position. Depreciation expense for capital assets that can be specifically identified with a function are included in that function's direct expenses whereas depreciation expense for shared capital assets are ratably included in the direct expenses of the appropriate function unless otherwise indicated as unallocated. Depreciation expense for general infrastructure assets is not allocated to the various functions but is reported as a direct expense of the function normally associated with capital outlays for, and maintenance of, infrastructure assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Estimated Useful Life</u>
Buildings and improvements	40-50 years
Infrastructure and plant	50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	2-12 years

(i) *Deferred outflows/inflows*

In addition to assets, the statement of financial position may have a separate section of deferred outflow of resources. This separate section will represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions after the measurement date related to pensions and OPEB – These contributions are deferred and recognized in the following fiscal year.
- Difference in assumption changes related to pensions and OPEB – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in expected and actual experience related to pensions and OPEB – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position may have a separate section of deferred inflow of resources. This separate section will represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

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- Deferred gain on refunding - A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This is reported only in the governmental funds balance sheet and arises only under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference between projected and actual earnings, net, related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference between expected and actual economic experience related to pensions and OPEB – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in assumption changes related to OPEB – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.

(j) Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the special revenue funds. Community Development Block Grants are the more significant grants classified as special revenue funds. Revenues are recognized when all eligibility requirements have been met and the funds are available.

(k) Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Deferred losses are amortized over the shorter life of the refunded or refunding debt using the straight line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures as incurred.

General obligation bonds, which have been issued to fund capital projects of the general government, are to be repaid from the ad valorem tax revenues of the City. General obligation bond debt is recorded in the governmental activities column in the Statement of Net Position.

Special revenue bonds, which have been issued to fund civic projects, are to be repaid primarily from the hotel occupancy tax revenues of the City. Special revenue bond debt is recorded in the governmental activities column in the Statement of Net Position.

Water and Sanitary Sewer revenue bonds, which have been issued to fund capital projects, are to be repaid from the net revenues of the Water and Sanitary Sewer System fund. Water and Sanitary Sewer revenue bond debt is accounted for in the Water and Sanitary Sewer fund. Likewise, Municipal Drainage Utility System revenue bonds issued for the purpose of drainage improvements are to be repaid from the net revenues of the Municipal Drainage fund.

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Water supply obligations, which represent long-term contracts between the City and the U.S. government for specified rights to a water supply in return for payment of costs to construct facilities, are to be repaid from the net revenues of the Water and Sanitary Sewer fund. Water supply obligation debt is accounted for in the Water and Sanitary Sewer fund.

In the governmental funds Balance Sheet, liabilities arising from inter-fund activities and matured liabilities (other than those associated with proprietary or fiduciary funds) are reported as governmental fund liabilities. Matured liabilities include (1) liabilities that normally are due and payable in full when incurred, and (2) the matured portion of general long-term indebtedness (the portion that has come due for payment). Debt service on formal debt issuances (such as bonds and tax notes) is recognized as a governmental fund liability and expenditure when due.

(l) Compensated Absences

All regular full-time employees accrue vacation and sick leave on a bi-weekly basis. Vacation leave may only be accrued up to a maximum number of hours, based on an employee's length of service. Sick leave may be accrued up to an unlimited amount. Compensatory leave may be accrued up to a maximum amount.

Upon employee termination and completion of the six (6) month orientation period, the City pays for unused vacation and compensatory leave up to a maximum allowable accrual. General government employees are not paid for accrued sick leave; however, police officers and firefighters may be paid up to 2,500 hours if certain requirements are met.

m) Nature and Purpose of Classifications of Fund Balance

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purpose pursuant to a formal action approved by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City Council or City management as discussed before the Audit and Finance Committee of the City Council and approved by the City Manager and Chief Financial Officer in accordance with the City's financial policies.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first (restricted fund balance) when more than one classification is available. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. Net position restricted for revenue bond retirement in the Proprietary Funds is a reserve required by revenue bond covenants.

(n) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in operating funds to maintain liquidity, as well as, anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to target a minimum General Fund fund balance, for operations, of 30 percent of annual revenues.

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(o) Net Position

In the government-wide financial statements, the net position is reported in three components (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Pensions

The City has three pension plans, Firemen's Relief and Retirement Fund, Supplemental Benefit Plan and Texas Municipal Retirement System. Information about the fiduciary net position of the City's pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by each of the City's pension plans. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments in the plans are reported at fair value.

(r) Other Postemployment Benefits (OPEB)

OPEB cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting. Annual OPEB cost is calculated in accordance with GASB Statement 75.

(s) Restatement of Beginning Net Position – Technology Fund

During fiscal year 2020, employees associated with technology services previously provided by the General Fund were transferred to the technology fund, an internal service fund of the City. In prior years, this fund had no employees. As such, and as of October 1, 2019, beginning fund balance was restated to record associated pension and OPEB balances which resulted in a reduction of net position by \$1,703,297.

(2) Cash and Cash Equivalents and Investments

State statutes, the City's Investment Policy and the City's Depository and Investment Agreement govern the investments of the City (exclusive of the SBP). Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. The deposits and investments of the SBP are held separately from those of other City funds by an outside trustee appointed by the City.

Deposits – At September 30, 2020, the general ledger carrying amount of the City's (exclusive of SBP) deposits was \$27,500,238 and the bank balance was \$22,153,456 which was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Supplemental Benefit Plan deposits of \$893,779, representing money market mutual funds, are held by a bank trust and are managed by independent investment managers for the ultimate benefit of City employees who participate.

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These investments are reported at fair value. At September 30, 2020, the City's cash on hand totaled \$12,931.

Investments – The City's investments held as of September 30, 2020, were as follows:

		Fair Value Measurement Using		Weighted Average Maturity (days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
	Carrying Amount			
<u>CITY - POOLED INVESTMENTS</u>				
Investments by Fair Value Level				
Federal Home Loan Bank Disc. Notes	\$ 115,079,568	\$ -	\$ 115,079,568	176
Federal Home Loan Mortgage Assoc.	16,349,213	-	16,349,213	25
Federal National Mortgage Assoc.	14,993,586	-	14,993,586	154
Federal Agricultural Mortgage Corporation	7,345,618	-	7,345,618	200
Treasury Bill	75,849,901	-	75,849,901	140
Total Investments by Fair Value Level	<u>229,617,886</u>	<u>\$ -</u>	<u>\$ 229,617,886</u>	
Investments Measured at Net Asset Value				
TexStar Investment Pool	<u>97,927,600</u>			45
Investments Measured at Amortized Cost				
Texpool Investment Pool	<u>98,010,900</u>			38
Total City Investments	<u>\$ 425,556,386</u>			
<u>SUPPLEMENTAL BENEFIT PLAN (SBP)</u>				
Investments by Fair Value Level				
United States Treasury Notes	5,570,668	-	5,570,668	NA
Common Stocks	15,805,796	15,805,796	-	NA
Foreign Stocks	9,108,018	9,108,018	-	NA
Mutual Funds	19,106,689	-	19,106,689	NA
Corporate Bonds	4,763,613	-	4,763,613	NA
Foreign Bonds	275,581	-	275,581	NA
Total Investments by Fair Value Level	<u>54,630,365</u>	<u>\$ 24,913,814</u>	<u>\$ 29,716,551</u>	
Investments Measured at Net Asset Value				
Alternative Investments/Hedge Funds	<u>14,673,843</u>			NA
Investments Measured at Amortized Cost				
Money Market	<u>3,703,790</u>			NA
Total SBP Investments	<u>\$ 73,007,998</u>			

All of the above items with a maturity date of three months or less from date of purchase and investment pools are included in cash equivalents for financial reporting purposes.

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Fair Value Measurement – The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which established three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability. For current year, the City and SBP have no fair value measured investments measured at Level 3.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. Our level 2 inputs are valued by the Interactive Data Corporation (IDC) Pricing Service, which compares the value of our bonds to similar bonds as of quarter-end dates.

For the City, Investment Pools and Money Market accounts are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting. Texpool and TexStar investment pools are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

For the SBP (Plan), Commons Stock and Preferred Stock are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Alternative Investment/Hedge Funds are measured at NAV and are exempt from fair value reporting. TexSTAR and TexPool are external investments pools measured at amortized cost to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

For the City, U.S. Government Agencies and U.S. Treasury Bills and for the SBP Plan, US Government Agencies, US Treasury Notes, Mutual Funds, Corporate Bonds and Municipal Obligations are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City of Irving manages its exposure to interest rate risk is by diversifying its portfolio, investing in a combination of investment pools, treasury bills. The City also holds investments until maturity and times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations and obligations. The City of Irving monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio on a quarterly basis. The City's investment policy (exclusive of SBP Fund) limits the weighted average of its portfolio to 365 days for its operating funds. At September 30, 2020, the maximum weighted average maturity (WAM) by investment type was 160 days.

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The SBP portfolio managed by Federated Investors in a Core Aggregate strategy is constrained in regards to duration to that of the benchmark index, the Barclays Capital U.S. Aggregate Index with a typical duration range that is +/- 20 percent of the duration of this benchmark index. A portion of the SBP fixed income is invested in Blackstone Real Estate Income Fund (BRIEF). BRIEF primarily invests in commercial mortgage backed securities, CMBS, and a broad range of predominantly liquid real estate debt instruments and is generally hedged to protect against interest rate changes. Another portion is invested in Blackstone Real Estate Debt Securities (BREDS). BREDS primarily invest in public or private debt relating to real estate assets or real estate companies or real estate related holdings.

Credit Risk – Generally, this is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. By policy, the City of Irving requires a minimum rating of AAA or its equivalent on some investments. The City's investments in U.S. Agency securities (FHLB, FAMC, FHLMC and FFCB) were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively. The investment in Texas Local Government Pools (Texpool and Texstar) carried a credit rating of AAA by Standard and Poor's as of September 30, 2020.

The investment policy of the SBP requires that the fixed income account managed by any manager shall maintain a weighted average credit rating that falls within the "A" category or better, as determined by the major credit ratings agencies at all times. Mutual funds and private investments are controlled by their respective legal documents. Fixed income securities for SBP made up 29 percent of total investments as of September 30, 2020.

Concentration of Credit Risk – The City of Irving limits investment in any investment type to a maximum of 50 percent of the portfolio except for investment pools which may be a maximum of only 20 percent of the portfolio excluding bond proceeds, per individual pool. The SBP limits this type of risk by setting a maximum of five percent in any one company with the sole exception of the U.S. Government, its agencies or instrumentalities.

Custodial Credit Risk – This is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires its collected deposits in excess of the federal depository insurance to be collateralized by the depository institution at the rate of 102.5 percent of the value of the deposits. The collateral must be in the form of an instrument authorized by the State of Texas Public Fund Investment Act held by the City's agent in the City's name.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied on October 1 on the taxable value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Dallas Central Appraisal District at 100 percent of estimated market value and are certified by the Appraisal Review Board. The taxable value for the beginning of fiscal year 2020 as provided by the Dallas County Tax Office was \$28,415,391,516.

The City is permitted by Article XXI; Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of appraised valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Under the City Charter, however, a limit on taxes levied for the same governmental services has been established at \$1.50 per \$100 of appraised valuation. The tax rate for the year ended September 30, 2020 was \$0.5941 (\$0.4741 for general government and \$0.12 for debt service) per \$100 of appraised valuation. Thus, the City has a tax margin

CITY OF IRVING, TEXAS

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of \$0.90 per \$100 and could levy up to approximately \$253 million in taxes per year from the present appraised valuation.

Taxes are due immediately following the October 1 levy date and are considered delinquent after the following January 31. Current tax collections for the year ended September 30, 2020 were 99.31 percent of the adjusted tax levy.

Delinquent property taxes of \$1,482,840 and \$444,938 are included in taxes receivable in the General Fund and Debt Service Fund, respectively.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this system, the City sets tax rates on City property.

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(4) Receivables

Receivables at September 30, 2020 for Governmental Activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General	Debt Service	TIF	Non-major Funds	Internal Service	Total Governmental Activities
Property taxes	\$ 2,415,220	\$ 680,933	\$ -	\$ -	\$ -	\$ 3,096,153
Sales taxes	12,533,154	-	-	-	-	12,533,154
Hotel occupancy taxes	-	-	-	2,468,240	-	2,468,240
Admissions taxes	-	-	-	120,432	-	120,432
Franchise fees	4,002,268	-	-	69,509	-	4,071,777
Municipal court receivable	16,153,428	-	-	-	-	16,153,428
Accrued interest	283,929	18,310	4,513	44,890	101,651	453,293
Accounts receivable	4,065,852	-	-	-	457,781	4,523,633
Total gross receivables	39,453,851	699,243	4,513	2,703,071	559,432	43,420,110
Less allowance for doubtful accounts						
Property Taxes	(788,685)	(222,357)	-	-	-	(1,011,042)
Municipal court receivable	(15,468,458)	-	-	-	-	(15,468,458)
Accounts receivable	(924,060)	-	-	-	-	(924,060)
Total allowance	(17,181,203)	(222,357)	-	-	-	(17,403,560)
Total receivables, net	<u>\$ 22,272,648</u>	<u>\$ 476,886</u>	<u>\$ 4,513</u>	<u>\$ 2,703,071</u>	<u>\$ 559,432</u>	<u>\$ 26,016,550</u>

Receivables at September 30, 2020 for the City's enterprise funds net of allowance for uncollectible accounts consist of the following:

Receivables	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Business- type Activities
Accounts receivable	\$ 19,186,440	\$ 2,636,917	\$ 1,319,901	\$ 23,143,258
Accrued interest	109,776	10,988	312	121,076
Accrued interest, restricted	22,650	-	940	23,590
Total gross receivables	19,318,866	2,647,905	1,321,153	23,287,924
Less allowance for doubtful accounts	(1,196,090)	(306,513)	(78,709)	(1,581,312)
Total receivables, net	<u>\$ 18,122,776</u>	<u>\$ 2,341,392</u>	<u>\$ 1,242,444</u>	<u>\$ 21,706,612</u>

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (general fund)	\$ 1,626,535	\$ -
Delinquent property taxes receivable (debt service fund)	458,576	-
Grant drawdowns prior to meeting all eligibility requirements (non-major governmental funds)	-	7,479,527
Grant expenditures not reimbursed within 60 days of year-end	1,948,248	-
Total unavailable/unearned for governmental funds	<u>\$ 4,033,359</u>	<u>\$ 7,479,527</u>

(5) Capital Assets

Capital asset balances and activity for the year ended September 30, 2020 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 104,113	\$ 1,172	\$ -	\$ 105,285
Works of Art	2,286	36	-	2,322
Construction in progress	42,478	35,505	5,752	72,231
Total capital assets not being depreciated	<u>148,877</u>	<u>36,713</u>	<u>5,752</u>	<u>179,838</u>
Capital assets being depreciated:				
Buildings and improvements	439,267	5,952	454	444,765
Equipment	136,403	12,213	4,202	144,414
Infrastructure	575,440	15,511	-	590,951
Total capital assets being depreciated at historical cost	<u>1,151,110</u>	<u>33,676</u>	<u>4,656</u>	<u>1,180,130</u>
Less accumulated depreciation for:				
Buildings and improvements	76,230	9,733	2	85,961
Equipment	86,094	8,762	4,202	90,654
Infrastructure	224,675	15,230	-	239,905
Total accumulated depreciation	<u>386,999</u>	<u>33,725</u>	<u>4,204</u>	<u>416,520</u>
Total depreciable capital assets, net	<u>764,111</u>	<u>(49)</u>	<u>452</u>	<u>763,610</u>
Governmental activities capital assets, net	<u>\$ 912,988</u>	<u>\$ 36,664</u>	<u>\$ 6,204</u>	<u>\$ 943,448</u>

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
Total business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,871	\$ 268	\$ -	\$ 9,139
Construction in progress	<u>64,991</u>	<u>16,148</u>	<u>15,085</u>	<u>66,054</u>
Total capital assets not being depreciated	<u>73,862</u>	<u>16,416</u>	<u>15,085</u>	<u>75,193</u>
Capital assets that are being depreciated:				
Water rights	20,940	-	-	20,940
Plant	<u>804,003</u>	<u>32,095</u>	<u>70</u>	<u>836,028</u>
Total capital assets being depreciated, at historical cost	<u>824,943</u>	<u>32,095</u>	<u>70</u>	<u>856,968</u>
Less accumulated depreciation for:				
Water rights	6,789	420	-	7,209
Plant	<u>327,022</u>	<u>21,313</u>	<u>9</u>	<u>348,326</u>
Total accumulated depreciation	<u>333,811</u>	<u>21,733</u>	<u>9</u>	<u>355,535</u>
Total depreciable capital assets, net	<u>491,132</u>	<u>10,362</u>	<u>61</u>	<u>501,433</u>
Business-type activities capital assets, net	<u>\$ 564,994</u>	<u>\$ 26,778</u>	<u>\$ 15,146</u>	<u>\$ 576,626</u>

Depreciation expense was charged to functions/programs as follows (in thousands):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General government	\$ 11,542	\$ -
Police	1,642	-
Fire	2,474	-
Public health and environmental services	699	-
Parks and recreation	3,387	-
Municipal court	50	-
Library	768	-
Planning and development	132	-
Public works	13,031	-
Solid Waste	-	1,708
Municipal drainage	-	1,546
Water and sanitary sewer	-	18,479
	<u>\$ 33,725</u>	<u>\$ 21,733</u>

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

The governmental activities construction in progress is funded principally by general obligation bonds or special revenue bonds and is comprised of the following as of September 30, 2020 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2020	Commitments For Future Expenditures
Storm Sewer	\$ 28,147	\$ 24,323	\$ 3,824
Park Improvement	14,083	7,903	6,180
Fire	5,225	4,624	601
Former Stadium Site	11,011	10,978	33
HQ Hotel Public Space	215	215	-
City Building Improvement	1,834	673	1,161
Non-Bond CIP	11,403	9,939	1,464
Street Improvement	22,244	10,671	11,573
System Applications	3,275	2,423	852
Gateway Development	1,597	482	1,175
Total governmental activities	\$ <u>99,034</u>	\$ <u>72,231</u>	\$ <u>26,863</u>

The business-type activities construction in progress is funded principally by revenue bonds and utility operations and is composed of the following as of September 30, 2020 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2020	Commitments For Future Expenditures
Water Improvement	\$ 6,914	\$ 4,744	\$ 2,170
Sewer Improvement	26,844	20,076	6,768
Water and Sewer	59,916	38,621	21,295
Municipal Drainage	3,967	2,581	1,386
Solid Waste	109	32	77
Total business-type activities	\$ <u>97,750</u>	\$ <u>66,054</u>	\$ <u>31,696</u>

(6) Capital Leases

The City entered into lease agreements as lessee for financing the acquisition of various fire equipment and golf course equipment which is payable from governmental activities. These lease agreements are reported as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

The assets acquired through a capital lease are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 10,317,983
Less: Accumulated depreciation	<u>(4,428,419)</u>
 Total	 <u>\$ 5,889,564</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 are as follows:

<u>Year ending September 30</u>	<u>Governmental Activities</u>
2021	1,502,571
2022	1,051,643
2023	<u>320,775</u>
 Total minimum future lease payments	 2,874,989
 Less: Amount representing interest	 <u>(91,381)</u>
 Present value of minimum lease payments	 <u>\$ 2,783,608</u>

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CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

(7) Long-Term Liabilities

Bonds payable at September 30, 2020 are comprised of the following:

Governmental Activities

General Obligation Bonds

\$22,350,000 General Obligation Refunding and Improvement Bonds, Series 2012 due in annual principal payments ranging from \$605,000 to \$1,680,000 through September 15, 2032. Rates range from .05% to 3%.	\$ 14,005,000
\$5,775,000 General Obligation Refunding Taxable Bonds, Series 2013 due in annual principal payments ranging from \$625,000 to \$695,000 through September 15, 2021. Rates range from 1% to 2.25%.	695,000
\$17,835,000 General Obligation Bonds, Series 2013 due in annual principal payments ranging from \$890,000 to \$895,000 through September 15, 2033. Rates range from 2% to 4.5%.	11,570,000
\$19,860,000 General Obligation Bonds, Series 2014 due in annual principal payments ranging from \$985,000 to \$1,000,000 through September 15, 2034. Rates range from 3% to 5%.	13,860,000
\$22,770,000 General Obligation Refunding and Improvement Bonds, Series 2015 due in annual principal payments ranging from \$620,000 to \$4,730,000 through September 15, 2035. Rates range from 2% to 4%.	12,030,000
\$43,195,000 General Obligation Refunding and Improvement Bonds, Series 2016 due in annual principal payments ranging from \$1,185,000 to \$8,445,000 through September 15, 2036. Rates range from 4% to 5.5%.	21,450,000
\$30,080,000 General Obligation Bonds, Series 2017A due in annual principal payments ranging from \$235,000 to 3,105,000 through September 15, 2037. Rates range from 3% to 5%.	23,500,000
\$30,405,000 General Obligation Refunding Bonds, Series 2017B due in annual principal payments ranging from \$1,205,000 to \$2,885,000 through September 15, 2029. Rates range from 4% to 6%.	24,240,000
\$2,545,000 Tax Notes, Series 2018 due in annual principal payments ranging from \$505,000 to \$510,000 through September 15, 2022. Rate is 2.09%.	1,020,000
\$2,860,000 Tax Notes, Series 2018A due in annual principal payments ranging from \$345,000 to \$840,000 through September 15, 2022. Rate is 5%.	1,675,000
\$40,660,000 General Obligation Bonds, Series 2018 due in annual principal payments ranging from \$825,000 to \$3,440,000 through September 15, 2038. Rates range from 3.375% to 5%.	36,395,000
\$44,010,000 General Obligation Refunding and Improvement Bonds, Series 2019 due in annual principal payments ranging from \$1,195,000 to \$4,255,000 through September 15, 2039. Rates range from 3% to 5%.	41,040,000
\$1,415,000 Tax Note, Series 2019A due in annual principal payments ranging from \$250,000 to \$310,000 through September 15, 2024. Rate is 5%.	1,165,000
\$52,215,000 General Obligation Refunding and Improvement Bonds, Series 2020 due in annual principal payments ranging from \$1,050,000 to \$9,550,000 through September 15, 2040. Rates range from 2% to 5%.	52,215,000
\$3,145,000 Tax Note, Series 2020 due in annual principal payments ranging from \$585,000 to \$680,000 through September 15, 2025. Rate is 4%.	3,145,000
	<u><u>\$ 258,005,000</u></u>

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

Special Revenue Bonds

\$8,750,000 Combination Tax and Revenue Certificates of Obligation, Series 2013A due in annual principal payments ranging from \$40,000 to \$780,000 through September 15, 2032. Rates range from 2% to 3%.	\$ 8,000,000
\$3,210,000 Combination Tax and Revenue Certificates of Obligation, Series 2013B due in annual principal payments ranging from \$40,000 to \$250,000 through September 15, 2032. Rates range from 2% to 3.125%.	2,545,000
\$20,725,000 Combination Tax and Revenue Certificates of Obligation, Series 2014 due in annual principal payments ranging from \$395,000 to \$2,010,000 through September 15, 2033. Rates ranges from 3% to 5%.	18,680,000
\$24,660,000 Hotel Occupancy Tax Revenue Refunding Bonds, Taxable Series 2014A due in annual principal payments ranging from \$195,000 to \$1,805,000 through August 15, 2053. Rates range from 4.606% to 7.25%.	24,260,000
\$13,025,000 Combination Tax and Revenue Certificates of Obligation, Taxable Series 2017A due in annual principal payments ranging from \$155,000 to \$995,000 through September 15, 2037. Rates range from 3.1% to 3.65%.	11,845,000
\$25,040,000 Combination Tax and Revenue Certificate of Obligation, Taxable Series 2017B due in annual principal payments ranging from \$395,000 to \$1,775,000 through September 15, 2046. Rates range from 3.25% to 3.5%.	24,350,000
\$107,610,000 Combination Tax and Hotel Occupancy Tax Revenue Refunding Bonds, Series 2017 due in annual principal payments ranging from \$1,490,000 to \$9,080,000 through September 15, 2039. Rates range from 3% to 5.5%.	101,495,000
\$31,230,000 Hotel Occupancy Tax Revenue Refunding Bonds, Series 2019 due in annual principal payments ranging from \$225,000 to \$2,960,000 through September 15, 2043. Rate is 5%.	30,580,000
	<u>\$ 221,755,000</u>

Revenue Bonds

\$29,095,000 Solid Waste Disposal System Revenue Refunding Taxable Bonds, Series 2012 due in annual principal payments ranging from \$150,000 to \$2,365,000 through September 30, 2032. Rate is fixed at 4.67% for 15 years, thereafter based on adjusted LIBOR rate plus 270 basis points.	\$ 22,370,000
	<u>\$ 22,370,000</u>

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CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

Business-Type Activities

Revenue Bonds

\$40,035,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2012, due in annual principal payments ranging from \$630,000 to \$3,745,000 through August 15, 2032. Rates range from 1% to 3%.	\$ 17,325,000
\$17,430,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2013, due in annual principal payments ranging from \$600,000 to \$1,210,000 through August 15, 2033. Rates range from 2% to 4.25%.	12,690,000
\$2,660,000 Municipal Drainage Utility System Revenue Bonds, Series 2013 due in annual principal payments ranging from \$95,000 to \$190,000 through August 15, 2033. Rates range from 2% to 4.375%.	1,930,000
\$17,095,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2015, due in annual principal payments ranging from \$470,000 to \$1,265,000 through August 15, 2035. Rates range from 2% to 4%.	13,915,000
\$30,265,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2016, due in annual principal payments ranging from \$775,000 to \$2,875,000 through August 15, 2036. Rates range from 3% to 5%.	19,050,000
\$19,910,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2017A, due in annual principal payments ranging from \$365,000 to \$1,400,000 through August 15, 2037. Rates range from 3% to 5%.	18,160,000
\$19,285,000 Waterworks and Sewer System New Lien Revenue Refunding Bonds, Series 2017B, due in annual principal payments ranging from \$40,000 to 2,265,000 through August 15, 2028. Rates range from 2% to 5%.	15,210,000
\$15,305,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2018, due in annual principal payments ranging from \$435,000 to 1,095,000 through August 15, 2038. Rates range from 3% to 5%.	14,370,000
\$22,435,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2019, due in annual installments ranging from \$820,000 to \$1,515,000 through August 15, 2039. Rates range from 3% to 5%.	21,395,000
\$34,640,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2020, due in annual installments ranging from \$840,000 to \$4,075,000 through August 15, 2040. Rates range from 2% to 5%.	34,640,000
\$13,440,000 Municipal Drainage Utility System Revenue Bonds, Series 2020 due in annual principal payments ranging from \$455,000 to \$875,000 through August 15, 2040. Rates range from 2% to 5%.	13,440,000
	<u>\$ 182,125,000</u>

General Obligation Bonds

\$1,015,000 General Obligation Refunding and Improvement Bonds, Series 2020 due in annual principal payments ranging from \$80,000 to \$120,000 through September 15, 2030. Rates range from 4% to 5%.	\$ 1,015,000
	<u>\$ 1,015,000</u>

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

Long-term liability activity for the year ended September 30, 2020 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds:					
General obligation bonds	\$ 262,305	\$ 55,360	\$ 59,660	\$ 258,005	\$ 26,530
Special revenue bonds	231,905	31,230	41,380	221,755	5,190
Revenue bonds	23,740	-	1,370	22,370	1,430
	<u>517,950</u>	<u>86,590</u>	<u>102,410</u>	<u>502,130</u>	<u>33,150</u>
Unamortized premiums	32,655	12,770	4,982	40,443	4,875
Total bonds payable	<u>550,605</u>	<u>99,360</u>	<u>107,392</u>	<u>542,573</u>	<u>38,025</u>
Other liabilities:					
Compensated absences	33,897	18,681	17,548	35,030	3,503
Liability for insurance claims	7,627	26,346	26,096	7,877	4,559
Lease payable	4,432	-	1,648	2,784	1,445
Net pension liability	211,579	-	56,743	154,836	-
Total OPEB liability	13,719	542	-	14,261	-
Other obligations:					
NCTCOG	976	-	976	-	-
Total other liabilities	<u>272,230</u>	<u>45,569</u>	<u>103,011</u>	<u>214,788</u>	<u>9,507</u>
Total governmental activities long term liabilities	<u>\$ 822,835</u>	<u>\$ 144,929</u>	<u>\$ 210,403</u>	<u>\$ 757,361</u>	<u>\$ 47,532</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds:					
Revenue bonds	\$ 174,330	\$ 48,080	\$ 40,285	\$ 182,125	\$ 16,775
General obligation bonds	-	1,015	-	1,015	80
	<u>174,330</u>	<u>49,095</u>	<u>40,285</u>	<u>183,140</u>	<u>16,855</u>
Unamortized premiums	11,723	7,088	3,259	15,552	2,046
Total bonds payable	<u>186,053</u>	<u>56,183</u>	<u>43,544</u>	<u>198,692</u>	<u>18,901</u>
Other liabilities:					
Compensated absences	1,159	1,234	1,036	1,357	95
Water supply obligations	15,836	-	379	15,457	391
Landfill closure and postclosure care liability	6,040	386	-	6,426	-
Net pension liability	18,430	-	8,299	10,131	-
Total OPEB liability	2,354	92	-	2,446	-
Total other liabilities	<u>43,819</u>	<u>1,712</u>	<u>9,714</u>	<u>35,817</u>	<u>486</u>
Total business-type activities long-term liabilities	<u>\$ 229,872</u>	<u>\$ 57,895</u>	<u>\$ 53,258</u>	<u>\$ 234,509</u>	<u>\$ 19,387</u>

The City intends to retire its general obligation bonds, plus interest, from future ad valorem taxes and other revenues. Special revenue bonds, plus interest, will be repaid from future revenues such as hotel occupancy taxes, ad valorem taxes, public improvement district assessments, city and state local taxes and mixed beverage taxes. Solid Waste Disposal System Revenue bonds will be repaid from budgeted economic development revenues of the General Fund. Compensated absences, net pension liability and total other postemployment benefit liability are generally liquidated by the General Fund. The City has other obligations payable to North Central Texas Council of Governments (NCTCOG) through a land bank agreement. This amount was repaid in fiscal year 2020 from economic development funds in the General Fund.

CITY OF IRVING, TEXAS
Notes to Basic Financial Statements
September 30, 2020

Revenue bonds and water supply obligations of the Water and Sanitary Sewer Enterprise Fund and Municipal Drainage fund will be repaid, plus interest, from the net operating revenues of the funds. Future obligations for landfill closure and compensated absences will be funded using current and future revenues.

Annual debt service requirements to maturity for long-term bonded debt are as follows (in thousands):

Governmental Activities	General Obligation Bonds		Special Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2021	\$ 26,530	\$ 10,576	\$ 5,190	\$ 9,730	\$ 1,430	\$ 1,045
2022	25,070	9,556	6,190	9,500	1,500	978
2023	24,430	8,442	6,745	9,219	1,570	908
2024	20,430	7,342	7,810	8,906	1,645	837
2025	19,825	6,440	8,355	8,571	1,720	758
2026-2030	79,165	19,944	50,050	36,863	9,880	2,508
2031-2035	44,025	6,878	55,140	25,407	4,625	327
2036-2040	18,530	1,163	52,400	14,513	-	-
2041-2045	-	-	17,345	6,789	-	-
2046-2050	-	-	7,475	3,329	-	-
2051-2053	-	-	5,055	750	-	-
Total	<u>\$ 258,005</u>	<u>\$ 70,341</u>	<u>\$ 221,755</u>	<u>\$ 133,577</u>	<u>\$ 22,370</u>	<u>\$ 7,361</u>

Business-Type Activities	Revenue Bonds		General Obligation Bonds		Water Supply Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2021	\$ 16,775	\$ 6,794	\$ 80	\$ 48	\$ 391	\$ 503
2022	14,980	6,294	85	46	404	490
2023	13,635	5,659	85	41	417	477
2024	12,900	5,088	95	37	430	463
2025	11,905	4,538	100	32	444	449
2026-2030	52,460	15,339	570	82	2,449	2,021
2031-2035	39,350	6,307	-	-	2,874	1,595
2036-2040	20,120	1,279	-	-	3,373	1,097
2041-2045	-	-	-	-	2,166	596
2046-2050	-	-	-	-	2,057	279
2051-2053	-	-	-	-	452	15
Total	<u>\$ 182,125</u>	<u>\$ 51,298</u>	<u>\$ 1,015</u>	<u>\$ 286</u>	<u>\$ 15,457</u>	<u>\$ 7,985</u>

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

(a) General Obligation Bonds and Tax Notes

On September 1, 2020, the City issued \$53,230,000 in General Obligation Refunding and Improvement Bonds, Series 2020. A portion of the bond sale, \$36,284,583, was used to refund previously issued bonds including \$1,235,000 of the Municipal Drainage Utility System Revenue Bonds, Series 2010, \$25,970,000 of the General Obligation Refunding and Improvement Bonds, Series 2011 and \$8,975,000 of the General Obligation Bonds, Series 2010 which were refunded and scheduled for redemption on October 6, 2020. The refunded obligations are considered defeased and the liability for the bonds has been removed from the City's financial statements. The City decreased its debt service payment by \$5,094,124 and incurred an economic gain (difference between present value of debt service payments of old debt and new debt) of \$4,740,160.

The bond issuance also provided new money in the amount of \$23,500,000 to provide (a) \$500,000 for youth development and community center, (b) \$9,900,000 for street improvements, (c) \$9,600,000 for park improvements, (d) \$2,000,000 for City buildings (e) \$1,500,000 for City improvements, and (f) \$238,164 for issuance costs. The 20 year bonds have interest rates that range from two percent to five percent and were issued at a premium of \$6,941,073. Principal payments range from \$1,050,000 to \$9,635,000 payable annually, and interest is payable semi-annually through maturity on September 15, 2040.

On September 1, 2020, the City issued \$3,145,000 in Tax Notes, Series 2020. Proceeds of \$3,420,000 will be used (a) to acquire public safety equipment, and (b) information technology equipment, net of (c) issuance costs of \$46,408. The Tax Notes have an annual interest rate of four percent and were issued at a premium of \$354,427. Principal payments range from \$585,000 to \$680,000 payable annually, and interest is payable semi-annually through maturity on September 15, 2025.

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current principal and interest installments as they become due. The Debt Service Fund has \$12,695,095 available to service the general obligation bonds and tax notes as of September 30, 2020. The remaining fund balance is available to service special revenue bonds, as well as, revenue bonds.

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2020, no rebate liability was accrued on General Obligation Bonds.

(b) Special Revenue Bonds

On September 1, 2020, the City issued \$13,440,000 in Combination Tax and Revenue Certificates of Obligation, Series 2020. This certificate issuance provided \$15,000,000 for (a) the design, development, construction and acquisition of drainage improvements and facilities within the City including acquisition of land and (b) \$85,645 for issuance costs. The 20 year certificates have interest rates that rate from two percent to five percent and were issued at a premium of \$1,762,897. Principal payments range from \$455,000 to \$875,000 payable annually, and interest is payable semi-annually through maturity on August 15, 2040.

The Combination Tax and Revenue Certificates of Obligation are secured and payable from a pledge of ad valorem taxes, as well as, other specified pledged revenue such as (a) special assessments levied within the Public Improvement District, (b) State sales taxes, State hotel occupancy taxes, City's sales taxes, mixed beverage taxes paid within the Convention Center Hotel

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project for a ten year period and (c) 5/7th of the hotel occupancy tax collected at the Convention Center Hotel project.

On November 14, 2019, the City issued \$31,230,000 in Hotel Occupancy Tax Revenue Refunding Bonds, Series 2019. The entirety of the bond sale was used to refund previously issued bonds including \$36,625,000 of the Hotel Occupancy Tax Revenue Bonds, Series 2014B, which were refunded and scheduled for redemption on January 4, 2020. The refunded obligations are considered defeased and the liability for the bonds has been removed from the City's financial statements. The City decreased its debt service payment by \$10,435,356 and incurred an economic gain (difference between present value of debt service payments of old debt and new debt) of \$7,032,239. The 24 year bonds have an interest rate of five percent and were issued at a premium of \$5,710,184.

Hotel Occupancy Tax Revenue Bonds, Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation are secured and payable from a pledge of hotel occupancy taxes.

The City is required by Bond Ordinance to create and maintain an Interest and Sinking Fund to be used for the payment of debt service on the Special Revenue Bonds outstanding. These funds are restricted in use as explained below.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Special Revenue Bonds as they become due and payable. The City is required to make quarterly deposits to the fund to meet the debt service requirements. Amounts available to service the Special Revenue Bonds totaled \$1,500,283.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Special Revenue Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. As of September 30, 2020, the total amount required to be accumulated in the Reserve Fund is \$5,045,544. Actual accumulation in the Reserve fund at September 30, 2020 is \$5,130,131.

(c) Solid Waste Disposal System (Heritage) Revenue Bonds

The Solid Waste Disposal System (Heritage) Revenue Bonds are payable solely from and secured by a lien on and pledge of the Solid Waste Disposal System revenues; the debt service payments are made from the General Fund; therefore, the bonds are reflected as governmental activities.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Solid Waste Disposal System Revenue Bonds as they become due and payable. The City is required to make monthly deposits to the fund to meet the debt service requirements. Amounts available as of September 30, 2020 to service the Revenue Bonds totaled \$40,726.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Solid Waste Disposal System Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. On June 7, 2012, the reserve requirement for these revenue bonds was established at \$2,418,815 which is determined by the lesser of (i) Maximum Annual Debt Service at date of issuance, (ii) 125 percent of average Debt Service or (iii) 10 percent of the original principal of bonds at date of issuance. As of September 30, 2020, the total amount required to be accumulated in the Reserve Fund is \$2,481,815. Actual accumulation in the Reserve fund at September 30, 2020 is \$2,655,722.

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(d) *Municipal Drainage Utility System Revenue Bonds*

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the Municipal Drainage Utility.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Municipal Drainage Utility System Revenue Bonds as they become due and payable. The City is required to make equal monthly installments to the fund to meet the debt service requirements. Amounts available to service the Municipal Drainage Utility System Revenue Bonds totaled \$365,735 at September 30, 2020.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the revenue bonds if the amount in the Bond Fund is insufficient for such purpose. As of September 30, 2020, the total amount required to be accumulated in the Reserve Fund is \$1,050,510. Actual accumulation in the Reserve fund at September 30, 2020 is \$346,525. The City has 60 months from the closing date of September 1, 2020 of the Series 2020 bonds to meet the reserve requirement.

(e) *Water and Sanitary Sewer Revenue Bonds*

On August 15, 2020, the City sold \$34,640,000 of Waterworks & Sewer System New Lien Revenue Refunding and Improvement bonds, Series 2020. \$19,260,000 of the bond proceeds, \$3,410,669 of cash premiums and \$198,904 of net of issuance costs were used to refund \$22,315,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2011 to be redeemed October 6, 2020. \$16,900,000 of the proceeds are to be used for certain improvements and extensions to the City's Waterworks and Sewer System and pay the costs associated with the issuance of the bonds. As a result, \$22,315,000 of the refunded obligations is considered to be defeased and the liability for those bonds have been removed from the City's financial statement. Redemption is scheduled for October 6, 2020. The net carrying amount of the old debt exceeded the reacquisition price by \$739,680 resulting in a deferred gain. This amount will be amortized over the remaining life of the refunded debt which is shorter than the life of the new debt issued. This refunding resulted in an economic gain of \$4,204,496 and a reduction of debt service of \$4,565,597.

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System (the System).

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2020, no rebate liability was accrued on Water and Sewer Revenue Bonds.

The City is required by Bond Ordinance to create and maintain certain funds to be held for the payment of debt service on the outstanding Revenue Bonds. These funds, as fully explained below, are restricted in use and held by the City.

New Lien Interest and Sinking Fund – The New Lien Interest and Sinking Fund is used to pay principal and interest on the New Lien Revenue Bonds as they become due and payable. The City is required to make equal monthly deposits to the fund to meet the debt service requirements. As of September 30, 2020, the amount required should be 1/12 of the next principal payment and 1/6 of the next interest payment totaling \$1,779,056. Amounts held in the New Lien Interest and Sinking Fund totaled \$2,346,198 at September 30, 2020.

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New Lien Reserve Fund – The New Lien Reserve Fund is used to pay principal and interest on the New Lien Revenue Bonds falling due at any time amounts in the New Lien Interest and Sinking Fund are insufficient to meet such payments. The Bond Ordinance requires the City to maintain an amount equal to greater of (i) 50 percent of the average annual principal and interest requirements of all outstanding bonds or (ii) 33.3 percent of the maximum annual principal and interest requirements of all outstanding bonds. Based on the outstanding New Lien Revenue Bonds at September 30, 2020, the total amount required to be accumulated within 60 months in the New Lien Reserve Fund is \$7,485,743. Amounts held in the New Lien Reserve Fund at September 30, 2020 totaled \$8,325,494.

Compliance with Debt Covenants – At September 30, 2020, and for the year then ended, management believes that the City was in compliance with all financial bond covenants on outstanding revenue and general obligation debt.

(f) *Water Supply*

On March 29, 1968, the City entered into a water supply contract (the Agreement) with the U.S. government whereby the City has received the right to utilize a specified supply of water stored at Lake Chapman (formerly Cooper Reservoir), which has been designated for municipal and industrial use. The City began amortizing these rights in fiscal year 2004 over the term of the related obligation of 50 years. Interest rate on the obligation is 3.25 percent.

Under the provisions of the Agreement, the City has incurred a contractual obligation which represents a specified percentage of the construction costs of the Lake by the U.S. Army Corps of Engineers, including estimated future operation, maintenance, and replacement costs after completion of the project.

The first payment for initial water supply use was due and payable within 30 days following the date upon which the Lake became operative for other purposes (date of deliberate impoundment September 28, 1991). Payments thereafter are due within 30 days of the anniversary date of the first payment. The first payment for future water supply use was due and payable within 30 days of the 10th anniversary of the date of notification of deliberate impoundment.

- (g) *Defeased Bonds Outstanding*** – In current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. See discussion above for respective redemption dates and amounts on defeased bonds.

(8) *Contractual Obligations for Water Supply and Wastewater Treatment*

Long-term contracts between the City and other governmental authorities give the City specified rights to water supply and wastewater treatment, in return for payment of costs to construct facilities serving the City and a portion of the operating expenses of those facilities.

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Wastewater Treatment

On March 16, 1973, the City entered into an agreement with the Trinity River Authority (TRA) whereby TRA agreed to provide a wastewater treatment and disposal system for the benefit of the City and other cities located within the Upper Trinity River Basin. Each city pays its proportionate share of operating expenses and debt service of TRA. The City's annual payment for the year ended September 30, 2020 was \$28,908,169. The agreement will remain in effect through the year 2023 or until any outstanding bonds or refunding bonds have been paid in full.

Water Supply

On February 22, 1955, the City, the City of Grand Prairie and the City of Dallas entered into an agreement whereby Dallas would provide treated water supply. The current contract expires in 2033. The annual payment for the year ended September 30, 2020 was \$3,145,230.

On June 30, 2003, the City entered into an agreement with the City of Dallas whereby Dallas would provide treatment of and storage for the City's water from Jim Chapman Lake for thirty years. The annual payment for the year ended September 30, 2020 was \$6,885,720.

(9) Inter-fund Balances

(a) ***Inter-fund Receivables and Payables:*** Inter-fund receivable and payable balances at September 30, 2020 were as follows:

		<u>Receivables</u>		<u>Payables</u>
General fund	\$	2,125,845	\$	-
Non-major governmental		<u>54,076</u>		<u>2,179,921</u>
Total	\$	<u>2,179,921</u>	\$	<u>2,179,921</u>

Inter-fund receivables and payables consist of:

- Administrative fees for the collection, accounting and distribution of hotel occupancy taxes due to General Fund;
- Receivables due from various non-major funds to the General fund;

These balances are expected to be liquidated during the next fiscal year.

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- (b) **Inter-fund Transfers:** Transfers are made from one fund to the other for services or assets provided to other funds. Transfers made between funds during the year are listed below.

	Transfers In				
			Non-major		
	General Fund	Debt Service Fund	Governmental Funds	Technology Fund	Total
Transfers Out					
General Fund	\$ -	\$ 4,681,694	\$ 5,435,899	\$ -	\$ 10,117,593
TIF	179,581	2,302,961	-	-	2,482,542
Solid Waste	-	799,955	-	-	799,955
Non-major					
Governmental Funds	1,271,908	12,983,083	148,000	-	14,402,991
Technology Fund	37,486	-	-	-	37,486
Self-Insurance Fund	-	-	-	1,500,000	1,500,000
	<u>\$ 1,488,975</u>	<u>\$ 20,767,693</u>	<u>\$ 5,583,899</u>	<u>\$ 1,500,000</u>	<u>\$ 29,340,567</u>

Inter-fund transfers consist of:

- General Fund to Debt Service for debt payments of revenue bonds;
- TIF transfers for debt payments, projects and administrative cost;
- Convention Center Complex and Entertainment Venue, and Solid Waste funds to the Debt Service Fund to pay for the debt related to these activities;
- General Fund to several grants within the non-major governmental fund for grant activities and projects;
- Transfers within non-major governmental funds to pay for capital projects.

(10) Self-Insurance Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and outstanding medical claims. During fiscal year 1989, the City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each workers' compensation, employer liability claim, and combined workers' compensation and employer liability, and all physical damages to City vehicles. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded their commercial coverage for any of the past three fiscal years. The City also accounts for the provision of employee health insurance through the City-sponsored PPO and indemnity plan. Premiums are paid into the fund by the City and by employees. Premiums are set by actuaries at an amount to cover claims, fees, administrative costs and the purchase of excess reinsurance. All actuarial-determined, outstanding medical claims are expected to be paid within the next twelve months.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on historical cost and actuarial estimates of the amounts needed to pay any unfunded portions of prior year

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claims and estimated current year claims and to establish a reserve for catastrophic losses. The reserve was \$21,570,690 at September 30, 2020 which is represented by the net position of the City's Self-Insurance Fund. The claims liability of \$7,876,656 reported in the fund at September 30, 2020 is based on the requirements of GASB No. 10, as amended, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It requires that a liability for claims be reported if information, prior to the issuance of the financial statements, indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Effective January 1, 2007, the City no longer offered an HMO insurance plan. Employees previously in the HMO plan had the option to elect the City-sponsored PPO plan. The increase in participants resulted in increase in claims activity. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable material, salvage, and subrogation.

Changes in the estimated liability for unpaid claims in fiscal years 2019 and 2020 were:

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$	8,459,469	\$ 25,811,731	\$ 26,644,129	\$ 7,627,071
2019-2020	\$	7,627,071	\$ 26,346,233	\$ 26,096,648	\$ 7,876,656

(11) Employee Pension Plans

The City participates in three retirement plans at September 30, 2020. The Firemen's Relief and Retirement Fund (FRRF) is a defined benefit plan covering the City's firefighters. The Supplemental Benefit Plan is a contributory defined benefit plan covering all full-time City employees (excluding Fire Civil Service employees and nonresident aliens). The City is also a member of the Texas Municipal Retirement System (TMRS). TMRS is a statewide agent multi-employer, joint contributory, hybrid-defined benefit plan.

The FRRF and the Supplemental Benefit Plan are reported using the economic resources measurement focus and the accrual basis of accounting. Contributions, benefits, and refunds paid are recognized when due.

A summary of the net pension liability, deferred outflow and inflows and pension expense are below and discussed further in detail in the following footnote:

	FRRF	SBP	TMRS	Total
Net pension Liability	\$ 95,752,552	\$ 21,209,823	\$ 48,004,481	\$ 164,966,856
Deferred outflow	27,149,563	4,751,971	17,796,062	49,697,596
Deferred inflow	(9,453,704)	(5,190,749)	(23,693,559)	(38,338,012)
Pension expense (current year)	11,126,749	3,631,857	20,915,828	35,674,434

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(a) *Firemen's Relief and Retirement Fund (FRRF)*

The Board of Trustees of the Irving FRRF is the administrator of the FRRF, a single-employer contributory defined benefit pension plan. FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as the determination of employee contribution rates, without approval by the City, and the board is not appointed by the City Council. FRRF covers current and former Fire Department personnel of the City, as well as certain beneficiaries of former Fire Department personnel. Separate audited financial statements are available and can be obtained by contacting Irving Fire Department at the City of Irving, 845 W. Irving Blvd, Irving, Texas 75060.

All full-time employees of the City of Irving Fire Department are members of the Irving FRRF.

Benefits: Members and the City each contribute to the Fund. Members contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a member's contributions are excluded from his taxable income when paid into the Fund.

Members receive credit for service for the period of employment during which they pay into, and keep on deposit in the Fund, the contributions required by the Fund. Service also includes periods during which the member received a disability benefit from the Fund in excess of the minimum \$200 monthly benefit for covered members. However, the service granted during periods of disability is limited to the amount of service, if any, necessary to bring the member's total service up to 20 years.

Retirement, death, disability and terminations benefits are calculated based upon a member's average compensation. Average compensations is based on the member's pay for the 78 consecutive two-week pay periods during which his total pay was the highest.

Service retirement benefits are payable for the member's lifetime. In the event a member's death precedes that of their spouse, two-thirds of the member's pension will be continued to the spouse for their lifetime. A member is eligible to elect early retirement upon completion of 20 years of service and attainment of age 45. A member who retires under the early retirement provisions of the Fund will receive reduced monthly retirement benefits.

In the event of the disability of a plan participant before the date the plan participant qualifies for a service retirement benefit, the plan participant will receive a monthly benefit, payable in the same form as the service retirement benefit. However, disability benefits stop if a member recovers to the point they no longer meet the definition of disability under the plan.

In the event of the death of a plan participant who is in active service, the plan participant's spouse will receive a monthly benefit equal to the sum of 42.33 percent of the member's average monthly compensation, plus two-thirds of the monthly retirement benefit which the member had accrued as of the date of his or her death. This benefit is payable for the spouse's lifetime; however, in the event of the spouse's death, the benefit is continued to the children eligible for the orphan's benefit.

The sum of all benefits payable on behalf of a plan participant may not exceed the service retirement benefit to which participant was entitled as of the date of participant's death. In the event

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such benefits do exceed this limit, each beneficiary's benefit is reduced pro rata until the sum of the benefits complies with this limitation.

If a plan participant has completed at least 20 years of service but has not attained age 50 on participant's date of termination, participant will be entitled to receive a monthly retirement income commencing at age 50. The amount of such benefit will equal the monthly retirement benefit the plan participant had earned as of participant's date of termination.

Plan participants who terminate service prior to the date they complete ten years of service will be entitled to receive the return of their employee contributions. However, plan participants who terminate with at least ten years of service may elect to receive, in lieu of their accumulated contributions, a monthly retirement benefit, commencing on the date the plan participant would have both attained age 50 and completed 20 years of service, equal to a pro rata share of participant's anticipated retirement benefit at date of termination, multiplied by the appropriate vested percentage.

The types of employees covered and current plan membership as of December 31, 2019 (the date of the most recent Plans financial statement) are as follows:

Inactive plan members or beneficiaries currently receiving benefits	211
Inactive plan members entitled to but not receiving benefits	3
Active plan members	371
Total	<u>585</u>

Contributions: The Irving FRRF is subject to a state-mandated minimum employer contribution rate equal to the lesser of (a) the fire fighter contribution rate or (b) 12 percent of covered payroll. The contribution rates of Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed every two years to evaluate the levels to which Plan assets and contributions are able to meet the benefit liability. Cost of administering the Fund are paid from Plan assets.

The member's contribution rate was 13 percent of their covered payroll from October 1, 2019 to September 30, 2020. Effective January 01, 2017, the City began contributing to the fund at a rate of 16.75 percent of covered payroll.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2019 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation prepared as of December 31, 2019.

Actuarial assumptions: The TPL was determined using the following assumptions utilized in the preparation of the actuarial report prepared as of December 31, 2019:

Inflation	2.75%
Salary increases	2.75%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

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Salary increases were based on service related tables. Mortality rates were changed from RP2000 Mortality Table, male and female rates, projected to 2024 using scale AA, with separate rates from males and females to the PubS-2010(A) and PubS 2010 for employees, healthy retirees, contingent survivors and disabled retirees, which are sex distinct with mortality improvement projected 5 years beyond the valuation date using scale MP-2019 and a base year of 2010. The mortality changes were made in order to recognize mortality improvement through the valuation date and provide a margin for future mortality improvements. The assumed retirement age and the salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. The actuarial cost method used in the valuation is the individual entry age normal actuarial.

The assumed retirement age for active members are based on a study which developed rates of retirement for ages 50 through 62, the age at which the large majority of retirements occur. Twenty years of service is required in order to be eligible for service retirement under the fund. The rate at which active members' salary is assumed to increase each year is 2.75 percent compounded annually. This assumption was changed from 3.50 percent as used in the prior valuation dated December 30, 2017.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining funded status for the benefits provided through the pension plan.

The Long-Term Expected Rate of Return on Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.60 percent. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
US equity	25.00%	5.50%
Developed market equity (non-US)	14.00%	5.90%
Emerging market equity	6.00%	7.80%
Short-term investment grade bonds	10.00%	0.80%
Investment grade bonds	16.00%	1.30%
Treasuries	5.00%	1.10%
Real estate	11.00%	4.40%
Timber	2.00%	3.40%
Bank loans	6.00%	3.50%
TIPS	5.00%	1.00%
	<u>100.00%</u>	

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Discount Rate: The discount rate used to measure the total pension liability was seven percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from the City will be made at the currently negotiated contribution rate of 16.75 percent of payroll each year (20.25 percent effective January 1, 2021). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 296,815,791	\$ 195,301,301	\$ 101,514,490
Changes for the year			
Service cost	7,367,953	-	7,367,953
Interest	21,389,385	-	21,389,385
Change in benefit terms	(3,972,825)	-	(3,972,825)
Difference between expected and actual experience	(4,404,456)	-	(4,404,456)
Changes of assumptions	12,343,919	-	12,343,919
Contributions - employer	-	5,972,625	(5,972,625)
Contributions - employee	-	4,629,457	(4,629,457)
Net investment income	-	28,128,788	(28,128,788)
Benefit payments, including refunds of employee contributions	(37,983,881)	(37,983,881)	-
Administrative expense	-	(244,956)	244,956
Net changes	(5,259,905)	502,033	(5,761,938)
Balance at 12/31/2019	\$ 291,555,886	\$ 195,803,334	\$ 95,752,552

The following presents the net pension liability of the City calculated using the discount rate of 7.00 percent, as well as, what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.00%	Current 7.00%	1% Increase 8.00%
City's net pension liability	\$ 129,273,245	\$ 95,752,552	\$ 67,746,957

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting the Irving Fire Department at the City of Irving at 845 W. Irving Blvd, Irving, Texas 75060.

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020, the City recognized pension expense of \$11,126,749.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 4,809,175
Changes of assumptions	22,142,978	-
Difference between projected and actual investment earnings	-	4,644,529
Contributions subsequent to the measurement date	5,006,585	-
	<u>\$ 27,149,563</u>	<u>\$ 9,453,704</u>

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of \$5,006,585 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2020 (i.e., recognized in the City's financial statements September 30, 2021). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Outflow (inflows) of Resources
2021	\$ 542,381
2022	365,160
2023	3,738,193
2024	(779,251)
2025	2,006,126
Thereafter	6,816,665
	<u>\$ 12,689,274</u>

(b) Supplemental Benefit Plan

Effective March 1, 1984, the City established the City of Irving Supplemental Benefit Plan (SBP), a single-employer contributory defined benefit plan. The plan covers employees who are members of the Texas Municipal Retirement System (Government and Police employees). Participation in the plan provides employees the opportunity to supplement their retirement income as these employees will not be eligible for Social Security benefits based on their employment with the City. The plan also replaces to the extent possible, the types of benefits previously provided by the Social Security System such as survivor and disability benefits. Separate audited financial statements are available

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and can be obtained by contacting City of Irving Supplemental Benefit Plan, 825 W. Irving Blvd, Irving, Texas 75060.

Benefits: SBP provides retirement benefits, as well as, death and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable for life or life of the beneficiary, depending on the benefit option selected by the retirees. Benefits are calculated based on 1/12 of 0.6 percent of their final average earnings for each year of credited service. The final average earnings amount is the average earnings in the three consecutive calendar years of service producing the highest such average. Employees are eligible for early retirement age at age 60 after five years of service, or at any age after completion of 20 years of service. All early retirees receive a reduced retirement benefit. Covered employees are required to contribute 2.5 percent of their earnings to SBP. If an employee leaves covered employment for reasons other than retirement, disability or death with less than five years of credited service, accumulated employee contributions are returned to the employee without interest. If an employee has five or more years of credited service, they may select either a refund of their contributions without interest or a monthly income payable at age 60 equal to the retirement benefit earned to date of termination. Disability benefits are payable six months after an employee is determined to be disabled under the provisions of SBP. Benefits are payable monthly and are equal to 1/12 of 70 percent of the participant's annualized pay rate at date of disablement reduced by disability income from the TMRS, Social Security, and workers' compensation. SBP also provides death benefits payable monthly to dependent children until attainment of age 25 and a single sum benefit to the surviving spouse.

Employees covered by benefit terms: All City full-time employees except Fire Civil Service employees are covered by SBP. As of December 31, 2019, membership consisted of:

Retirees and beneficiaries	413
Inactive, nonretired members (includes non vested members entitled to refund)	323
Active members	<u>1,516</u>
Total	<u><u>2,252</u></u>

Contributions: The employee contribution rate is 2.5 percent. The City Council established a maximum employer contribution level, which could be provided to support the benefits of the SBP. Council Resolution #12-16-82-582, enacted December 13, 1982, provided, in part, that the contribution to the SBP shall not exceed the Social Security tax which would otherwise be payable with respect to covered employees plus 3.69 percent of the salaries of such employees, less the City's contribution to the TMRS. In January 1995, the City had ceased all employer contributions, but beginning January 1, 2012, Council approved resuming contributions to the Plan. For fiscal year 2020, the City made contributions of 2.23 percent for the months in 2019 and contribution of 2.11 percent for the months in 2020. SBP, which is considered part of the City's financial reporting entity, is included in this report as a pension trust fund.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2019 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation dated January 1, 2020.

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Actuarial assumptions: The TPL in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Payroll growth rate	2.75%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates were based on the PUB(10) Tables for males and females projected on a fully generational basis by scale UMP to account for future mortality experience.

The actuarial assumptions used in the January 1, 2019 valuation were adopted by the Board to match the assumptions used by TMRS in their valuation of the City's TMRS liabilities. The assumptions are internally consistent and are considered reasonable, based on past and anticipated future experience of the Plan.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SPB Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the funding needs of the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Expected Real Rate of Return (Arithmetic)
Domestic Equity	35.00%	5.34%
International Equity	12.50%	6.73%
Emerging Markets	2.50%	8.96%
Fixed Income	30.00%	1.59%
Real Estate	10.00%	4.45%
Global Tactical Asset Allocation (GTAA)	5.00%	3.47%
Private Equity	5.00%	9.15%
	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates.

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Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 85,874,241	\$ 58,112,359	\$ 27,761,882
Changes for the year			
Service cost	3,517,009	-	3,517,009
Interest	5,761,292	-	5,761,292
Change in benefit terms	-	-	-
Difference between expected and actual experience	(425,946)	-	(425,946)
Changes of assumptions	1,274,482	-	1,274,482
Contributions - employer	-	2,462,185	(2,462,185)
Contributions - employee	-	2,760,308	(2,760,308)
Net investment income	-	11,570,512	(11,570,512)
Benefit payments, including refunds of employee contributions	(4,577,838)	(4,577,838)	-
Administrative expense	-	(114,109)	114,109
Net changes	5,548,999	12,101,058	(6,552,059)
Balance at 12/31/2019	\$ 91,423,240	\$ 70,213,417	\$ 21,209,823

Sensitivity of the net pension liability to changes in the discount rate: The sensitivity of the net pension liability to change in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher.

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	\$ 33,893,861	\$ 21,209,823	\$ 10,788,110

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting City of Irving Supplemental Benefit Plan at 825 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

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For the year ended September 30, 2020, the City recognized pension expense of \$3,631,857.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	\$ 209,251	\$ 2,124,972
Changes of assumptions	2,629,024	-
Difference between projected and actual investment earnings	-	3,065,777
Contributions subsequent to the measurement date	1,913,696	-
	<u>\$ 4,751,971</u>	<u>\$ 5,190,749</u>

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,913,696 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2020 (i.e., recognized in the City's financial statements September 30, 2021). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2021	\$ 123,497
2022	(340,433)
2023	(328,298)
2024	(1,731,383)
2025	(174,633)
Thereafter	98,776
	<u>\$ (2,352,474)</u>

(c) Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees (except Fire Civil Service).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally

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dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

Benefits: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions.

In addition, the City has granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Also, the City has adopted an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to 30 percent of the change in the consumer price index (CPI).

A summary of the plan provisions for the City are as follows:

	Plan year 2019
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI

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Employees covered by benefit terms: At the December 31, 2019 valuation and measurement date, the following employees were in covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,081
Inactive employees entitled to but not yet receiving benefits	584
Active employees	<u>1,514</u>
Total	<u><u>3,179</u></u>

Contributions: The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the city matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute seven percent of their annual gross earnings during the fiscal year. For fiscal year 2020, the City made contributions of 14.34 percent for the months in 2019 and contribution of 14.46 percent for the months in 2020. The City's contributions to TMRS for fiscal year 2020 were \$16,420,182 and were equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0 percent. For disabled annuitants, the mortality tables for healthy retirees are used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5 percent and 3 percent minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates for healthy and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated

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December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually.

Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as, the production of income, in order to satisfy the short term and long term needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real return	10.0%	3.85%
Real estate	10.0%	4.00%
Absolute return	10.0%	3.48%
Private equity	10.0%	7.75%
Total	100.0%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 766,588,675	\$ 665,855,340	\$ 100,733,335
Changes for the year			
Service cost	18,173,805	-	18,173,805
Interest	51,071,630	-	51,071,630
Change in benefit terms	-	-	-
Difference between expected and actual experience	2,428,185	-	2,428,185
Changes of assumptions	1,643,245	-	1,643,245
Contributions - employer	-	15,946,614	(15,946,614)
Contributions - employee	-	7,808,204	(7,808,204)
Net investment income	-	102,890,032	(102,890,032)
Benefit payments, including refunds of employee contributions	(38,117,675)	(38,117,675)	-
Administrative expense	-	(581,658)	581,658
Other changes	-	(17,473)	17,473
Net changes	35,199,190	87,928,044	(52,728,854)
Balance at 12/31/2019	\$ 801,787,865	\$ 753,783,384	\$ 48,004,481

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	\$ 152,245,743	\$ 48,004,481	\$ (38,613,595)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020, the City recognized pension expense of \$20,915,828.

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At September 30, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual economic experience	\$ 2,205,166	\$ 453,941
Changes of assumptions	1,753,503	-
Difference between projected and actual investment earnings	-	23,239,618
Contributions subsequent to the measurement date	13,837,393	-
Total	<u>\$ 17,796,062</u>	<u>\$ 23,693,559</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$13,837,393 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the city's financial statements September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Net Deferred Outflow (inflows) of Resources</u>
2021	\$ (5,790,968)
2022	(6,002,803)
2023	2,955,191
2024	(10,896,310)
2025	-
	<u>\$ (19,734,890)</u>

(12) Voluntary Employee Beneficiary Association

Effective August 31, 2000, the City established the City of Irving Voluntary Employee Beneficiary Association (VEBA) Trust. The purpose of the plan was to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. The benefit was initially established at a level that represented 75 percent of the "retiree-only" premium for the lowest cost medical plan offered by the City.

The VEBA Plan was significantly amended in September 2004 to include eligible active employees as well as eligible retirees. An eligible retiree means an individual who has retired or was eligible to retire from active service with the City before January 1, 2005 and has at least 25 years of service with the City before January 1, 2005. Benefit is received when the eligible retiree has attained either (i) 55 years of age and at least 30 years of service with the City or (ii) 60 years of age and at least 25 years of service with the City. The period of coverage commences with the enrollment of an eligible employee and ends on the later of (a) the date the eligible employee retires or (b) the last day of the month in which the eligible

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employee attains age 65. The monthly subsidy for eligible retirees is fixed at \$168.75. Annual VEBA subsidy payments totaled \$20,756 in fiscal year 2020.

Existing funds were allocated to establish a reserve sufficient to meet the full funding requirements at the time for the current retirees and future eligible employees. The City has not made contributions during the fiscal year to the Trust.

There are currently 7 retirees enrolled in the plan:

Quality Connect	4
Choice Open Access Plus	2
Open Access Plus	1

Because the amounts in the Trust are for the benefit of both retirees and current employees and because the City has used funds from the Trust to subsidize current employee premiums to the healthcare plan, the Trust does not qualify to be considered an Other Post-Employment Benefit Plan subject to GASB Statement 75.

(13) Other Post-Employment Benefits

The City offers two OPEB plans. Retirees meeting certain requirements can remain on the City's group health and life insurance plan, and the City participates in a defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) and is administered by TMRS.

A summary of the OPEB liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Retiree Health Care Plan	TMRS SDBF	Total
Total OPEB liability	\$ 10,685,910	\$ 6,020,602	\$ 16,706,512
Deferred outflow	1,159,939	1,473,948	2,633,887
Deferred inflow	(419,454)	(1,032,920)	(1,452,374)
OPEB expense (current year)	717,351	487,656	1,205,007

(a) Retiree Health Care Plan

Plan Description: In addition to the pension benefits described in Note 11, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from the City's sponsored retirement program (Texas Municipal Retirement System or Fireman's Relief and Retirement Fund) through a single-employer defined benefit healthcare plan. This healthcare plan provides insurance of eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management. City of Irving TMRS retirement eligibility is 5 years of service credits and 60 years of age or 20 years of service credit at any age. Firefighters may retire at age 50 with 20 years of service.

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Retirees over the age of 65 as of January 1, 2010 can maintain coverage under the City's plan by paying the grandfathered retiree premiums. All future retirees and retirees who were under the age of 65 as of January 1, 2010 can be covered under the PEBA Medicare Supplement Plan at their own expense. A surviving spouse may elect to continue coverage at their own expense. Employees who retire under a disability retirement are immediately eligible for retiree health care benefits. Members terminating before normal retirement conditions are not eligible for retiree health care.

As of the December 31, 2019 actuarial valuation, membership in the plan is as follows:

Retiree and Beneficiaries	102
Active Members	1,794
Total members	<u>1,896</u>

Contributions and Funding Policy: Current retirees contribute to the retiree health plan the total blended premium for active participants and the City's contribution for actives. Retirees and their dependents currently receiving benefits are required to contribute a monthly specified amount toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefits election of the Plan member and are as follows:

Premiums			
Grandfathered Premiums Retired before 1/1/2011	Choice Local Plus	Quality Open Access	Quality Connect
Retiree only	\$ 907.06	\$ 772.81	\$ 543.95
Retiree and Spouse	1,886.69	1,603.69	1,147.76
Retiree and Children	1,832.29	1,557.45	1,059.63
Retiree and Family	2,837.32	2,411.72	1,633.50
Grandfathered Premiums Retired after 12/31/2010	Choice Local Plus	Quality Open Access	Quality Connect
Retiree only	\$ 1,479.23	\$ 1,352.64	\$ 1,136.82
Retiree and Spouse	2,403.01	2,136.14	1,706.20
Retiree and Children	2,351.70	2,092.52	1,623.09
Retiree and Family	3,299.42	2,898.07	2,164.24

Retired participants as of December 31, 2010 pay discounted premiums based on a grandfathered schedule. Members who retire after December 31, 2010 pay premiums according to a separate schedule and are eligible for a service based on wellness subsidy at retirement.

Services based subsidy for members who retire after December 31, 2010:

- Employees with 5-9 years of service with City receive \$175/monthly subsidy
- Employees with 10-19 years of service with City receive \$400/monthly subsidy
- Employees with over 20 years of service with City receive \$500/monthly subsidy
-

OPEB Liability: The City's OPEB liability is measured as of December 31, 2019 and the total OPEB liability was determined by an actuarial valuation as of December 31, 2019.

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Actuarial Assumptions: The total OPEB liability in the December 31, 2019 actuarial report was determined using the following actuarial assumptions:

Actuarial cost method	Individual entry-age normal
Discount rate	2.75% as of December 31, 2019
Inflation	2.50%
Salary increase	3.50% to 11.50%, including inflation
Demographic assumptions	For general employees, the assumptions are based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). For firefighters, the assumptions are the same as those used to value the Irving Firemen's Relief and Retirement Fund based on actuarial experience study for the Fund dated June 17, 2019.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements. For healthy firefighter retirees, the gender-distinct PubS-2010(A) Mortality tables are used, projected to 2024 using Scale MP-2019, and with a base year of 2010.
Health care trend rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation rates	30% for IWIN participants and 15% for IWIN non-participants with over 20 years of service at retirement; 10% for IWIN participants and 5% for IWIN non-participants between 10 years to less than 20 years of service at retirement; and 0% for retirees with less than 10 years at retirement.
Notes	The discount rate changed from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and 2019 Experience Study for Irving Firemen's Relief and Retirement Fund. Additionally, the health care trend rates were updated to better reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 2.75 percent (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

Changes in Total OPEB Liability:

Beginning at December 31, 2018	\$ 10,379,793
Services cost	322,547
Interest on the total OPEB liability	377,362
Difference between expected and actual experience of the total OPEB liability	85,319
Changes of assumptions	260,075
Benefit payments	(739,186)
Net change in total OPEB liability	306,117
Ending at December 31, 2019	<u>\$ 10,685,910</u>

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Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the total OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

1% Decrease	Current Discount Rate Assumption	1% Increase
1.75%	2.75%	3.75%
\$ 11,422,998	\$ 10,685,910	\$ 9,996,103

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption:

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 10,204,642	\$ 10,685,910	\$ 11,251,491

The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the Self Insurance Fund.

OPEB Expense and Deferred Outflows Resources Related to OPEB

For the year end September 30, 2020, the City recognized an OPEB expense of \$717,351 and reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 76,750	\$ 191,212
Changes of assumptions	482,396	228,242
Contributions subsequent to the measurement date	600,793	-
Total	\$ 1,159,939	\$ 419,454

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Deferred outflows of resources of \$600,793 pertained to employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for fiscal year 2021. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense in the following fiscal years:

Year ending September 30	Deferred Outflows
2021	\$ 17,442
2022	17,442
2023	17,442
2024	17,442
2025	17,442
Thereafter	52,482
Total	<u>\$ 139,692</u>

(b) TMRS Supplemental Death Benefits Fund (SDBF)

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB Statement 75 and as such the SDBF is considered to be an unfunded OPEB plan. The retiree portion of the SDBF is considered a single employer, defined benefit OPEB plan.

Detailed information about the SDBF OPEB plan is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Benefit Plan Description: TMRS administers a defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earning, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers. The SDBF contribution rate for retirees is 0.04 percent.

As of the December 31, 2019 actuarial valuation, membership in the plan is as follows:

Inactive employees currently receiving benefits	841
Inactive employees entitled to but not yet receiving benefits	195
Active Members	1,514
Total members	<u>2,550</u>

OPEB Liability: The City's OPEB liability is measured as of December 31, 2019 and the total OPEB liability was determined by an actuarial valuation as of December 31, 2019.

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

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Actuarial Assumptions: The total OPEB liability in the December 31, 2019 actuarial report was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increase	3.50% to 11.50% including inflation
Discount rate	2.75%
Retiree's share of benefit related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under the reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 2.75 percent (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

Changes in Total OPEB Liability:

Beginning at December 31, 2018	\$ 5,693,660
Services cost	154,577
Interest on the total OPEB liability	213,283
Differences between expected and actual experience	(953,616)
Changes of assumptions	956,863
Benefit payments	(44,165)
Net change in total OPEB liability	326,942
Ending at December 31, 2019	<u><u>\$ 6,020,602</u></u>

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the total OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

1% Decrease	Current Discount Rate Assumption	1% Increase
1.75%	2.75%	3.75%
<u>\$ 7,307,090</u>	<u>\$ 6,020,602</u>	<u>\$ 5,022,719</u>

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

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OPEB Expense and Deferred Outflows Resources Related to OPEB

For the year end September 30, 2020, the City recognized OPEB expense of \$487,656, and reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 440,829	\$ 791,986
Changes of assumptions	998,231	240,934
Contributions subsequent to the measurement date	34,888	-
Total	<u>\$ 1,473,948</u>	<u>\$ 1,032,920</u>

Deferred outflows of resources of \$34,888 pertained to retiree contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for fiscal year 2021. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense in the following fiscal years:

Year ending September 30	Deferred Outflows
2021	\$ 119,796
2022	119,796
2023	117,043
2024	49,008
2025	497
Thereafter	-
Total	<u>\$ 406,140</u>

(14) Landfill Closure and Post-closure Care Costs

The City owns and operates a sanitary landfill site located in the southeast portion of the City. The landfill operates on a “cell” basis, and state and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The landfill is recorded within the business type activities of the government-wide financial statements. The estimated total liability is \$6,426,314 which represents the total closure and post-closure care cost liability based on the use of approximately 41 percent of the estimated capacity of the landfill at September 30, 2020. The City will recognize the remaining estimated liability for closure and post-closure care of approximately \$14.5 million as the remaining estimated capacity is filled and is based on a 30 year post-closure period. The estimated cost of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By State law, the City will be required to demonstrate financial assurance requirements each March. The City expects that by using a “Bond Rating Indicator of Financial Strength” the financial assurance requirements will be satisfied, and no trust account will be needed to finance closure and post-closure care costs.

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September 30, 2020

(15) Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and may include incentive payments that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to build or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facilities leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The city has two categories of economic developing agreements:

Tax Abatements - Tax abatements under Chapter 312 of the Texas Code allows the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatements agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. In fiscal year 2020, property taxes abated under this program were \$68,180.

General Economic Development - The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a percentage of property taxes, sales tax received by the City or reimbursement for cost incurred to improve site or sign. In fiscal year 2020, the City rebated \$12,406,105 under these agreements.

(16) Commitments and Contingencies

The City is committed under certain construction contracts for various general government and water utility projects.

The City has been named as a defendant or codefendant in certain personal injury cases and a number of other matters of litigation, which are pending with respect to various matters arising in the normal course of the City's operations. The outcome of these cases is not known at this time; however, City management is of the opinion that their resolution will not have a materially adverse impact on the City's financial position.

The Water and Sanitary Sewer Enterprise Fund is committed by contract to pay a portion of the operating and maintenance expenses for the useful lives of water supply facilities located at Lake Chapman (formerly the Cooper Reservoir). In addition, the City is committed by contract to pay a portion of the operating costs and future debt service of the Trinity River Authority for wastewater treatment.

The City participates in several federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of

CITY OF IRVING, TEXAS
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any related receivable at September 30, 2020 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

In November 2004, the City entered into an agreement with a developer for reimbursement of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was \$3,000,000 for the construction of the extension for the westbound Interstate Highway 635 access road to the intersections with Belt Line road and an entrance ramp to IH 635. The agreement was amended in June 2006 to increase the maximum amount of reimbursement to developer to \$4,000,000 due to higher than expected costs. The annual payments are based on sales tax generated by the merchants on the site in excess of \$1.00 per square foot. As long as less than 400,000 sq. ft. of retail space has been constructed, the City retains 60 percent of the excess sales tax and developer receives 40 percent of the excess. Should the square feet of retail construction meet or exceed 400,000, the City will retain 40 percent of the excess and the developer will receive 60 percent of the excess sales tax. In additions, for the first \$1.00 per square foot of all retail space, for any amount over \$.50 per square foot of sales tax revenue, the developer receives an aggregate annual reimbursement of up to \$.50 per square foot of retail space. Each annual payment is subject to there being at least 10,000 square feet of building improvements on the property that are at least 85 percent occupied for the preceding calendar year. Gasoline service stations, convenience food stores and self-storage facilities do not qualify under this agreement. The owner of the building improvements must not be in bankruptcy. Any portion of the reimbursable amount not paid after expiration of fifty years will cease to be an obligation of the City. Payments of \$1,956,403 have been made from 2009-2019, and \$144,129 was paid in 2020. The outstanding balance of the reimbursable amount at September 30, 2020 was \$1,899,468 and is not recorded as a liability since the payment is contingent on the collection of future tax revenues.

The City has also entered into a number of economic incentive agreements with developers and corporations that would require the City to abate or rebate future taxes or refund sales taxes to these developers or corporations.

(17) Fund Balance/Net Position Deficit

Funds with deficit fund balances as of September 30, 2020 were the HUD Grants Fund \$2,210,036, Emergency Management Fund \$129,429, Miscellaneous Grant Fund \$28,595 and Criminal Justice Grant Fund \$3,421. Grant fund reimbursements were requested as of September 30, 2020 but not received; therefore, the revenues are unearned.

(18) New Accounting Principles

GASB Statement No. 84, Fiduciary Activities will be effective September 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable:

- (1) pension (and other employee benefit) trust funds,
- (2) investment trust funds,
- (3) private-purpose trust funds, and

CITY OF IRVING, TEXAS

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(4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, Leases will be effective September 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 91, Conduit Debt Obligations will be effective September 30, 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, Omnibus 2020 will be effective September 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

GASB Statement No. 93, Replacement of Interbank Offered Rates will be effective September 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements will be effective September 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance will be effective immediately. The objective is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

Statement No. 83, Certain Asset Retirement Obligations

Statement No. 84, Fiduciary Activities

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

Statement No. 90, Majority Equity Interests

Statement No. 91, Conduit Debt Obligations

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2020

Statement No. 92, Omnibus 2020

Statement No. 93, Replacement of Interbank Offered Rates

Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)

Implementation Guide No. 2018-1, Implementation Guidance Update—2018

Implementation Guide No. 2019-1, Implementation Guidance Update—2019

Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases • Implementation Guide No. 2019-3, Leases

GASB Statement No. 96, Subscription-Based Information Technology Arrangements will be effective September 30, 2023. The objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 will be effective September 30, 2022. The objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component unit in fiduciary fund financial statement; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meets the definition of a pension plan and for benefits provided through those plans.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

City of Irving, Texas
Required Supplementary Information
Budgetary Comparison Schedule-General Fund
Year ended September 30, 2020

	Budgeted amounts (GAAP basis)		Actual amounts	Variance with final budget-- positive (negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 107,746,707	\$ 107,746,707	\$ 108,459,151	\$ 712,444
Sales tax	72,238,738	72,238,738	73,970,961	1,732,223
Franchise fees	19,159,904	19,159,904	18,089,203	(1,070,701)
Fees and licenses	4,070,782	4,070,782	2,479,052	(1,591,730)
Permits and inspections	6,910,576	6,910,576	8,961,241	2,050,665
Fines, forfeitures, and penalties	5,551,652	5,551,652	3,999,544	(1,552,108)
Charges for services	4,262,443	4,262,443	2,968,381	(1,294,062)
Intergovernmental and intragovernmental	7,631,770	7,631,770	7,672,411	40,641
Investment income	2,052,501	2,052,501	1,472,894	(579,607)
Miscellaneous	2,918,038	2,972,105	2,293,152	(678,953)
Total revenues	<u>232,543,111</u>	<u>232,597,178</u>	<u>230,365,990</u>	<u>(2,231,188)</u>
Expenditures:				
General government:				
City council	245,081	245,081	157,195	87,886
City secretary's office	1,195,175	1,310,737	1,026,128	284,609
City manager's office	1,923,526	1,972,066	1,904,116	67,950
Financial services department	4,430,607	4,443,324	4,178,633	264,691
Strategic resources	2,317,265	2,393,738	1,921,579	472,159
Nondepartmental	17,483,424	17,422,816	17,125,045	297,771
Planning and inspections	4,617,956	4,677,164	4,486,663	190,501
City attorney's office	2,846,990	2,848,805	2,705,685	143,120
Information services	13,060,892	13,583,577	13,037,921	545,656
Police	72,703,835	73,137,021	69,434,129	3,702,892
Fire	49,832,686	50,050,813	49,889,419	161,394
Parks and recreation	18,027,502	18,344,238	15,621,929	2,722,309
Municipal court services	3,219,486	3,219,733	2,907,096	312,637
Library services	7,296,153	7,347,100	7,095,100	252,000
Community development	7,012,732	7,408,382	6,138,325	1,270,057
Public works and transportation	22,234,611	22,720,834	20,684,528	2,036,306
Total expenditures	<u>228,447,921</u>	<u>231,125,429</u>	<u>218,313,491</u>	<u>12,811,938</u>
Excess of revenues over expenditures	4,095,190	1,471,749	12,052,499	10,580,750
Other financing sources (uses):				
Transfers in	1,527,435	1,562,308	1,488,975	(73,333)
Transfers out	(10,119,410)	(10,215,460)	(10,117,593)	97,867
Proceeds from sale of capital assets	-	450,000	718,651	268,651
Total other financing sources (uses)	<u>(8,591,975)</u>	<u>(8,203,152)</u>	<u>(7,909,967)</u>	<u>293,185</u>
Net change in fund balances	(4,496,785)	(6,731,403)	4,142,532	10,873,935
Fund balances, beginning of year	79,103,682	79,103,682	79,103,682	-
Fund balances, end of year	<u>\$ 74,606,897</u>	<u>\$ 72,372,279</u>	<u>\$ 83,246,214</u>	<u>\$ 10,873,935</u>

See notes to required supplementary information



CITY OF IRVING, TEXAS
Required Supplementary Information
Budgetary Comparison Schedule-TIF
Year ended September 30, 2020

	Budgeted Amounts (GAAP basis)		Actual Amount	Variance with final budget-- positive (negative)
	Original	Final		
Revenues:				
Ad Valorem Taxes	\$ -	\$ 12,039,628	\$ 11,354,515	\$ (685,113)
PID assessments	1,055,392	1,055,392	1,055,553	161
Intergovernmental	-	-	348,213	348,213
Interest	125,239	125,239	84,788	(40,451)
Total revenues	<u>1,180,631</u>	<u>13,220,259</u>	<u>12,843,069</u>	<u>(377,190)</u>
Expenditures				
Community development	<u>2,339,677</u>	<u>4,562,661</u>	<u>1,220,235</u>	<u>3,342,426</u>
Total expenditures	<u>2,339,677</u>	<u>4,562,661</u>	<u>1,220,235</u>	<u>3,342,426</u>
Excess (deficiency) of revenues over (under) expenditures	(1,159,046)	8,657,598	11,622,834	2,965,236
Other financing sources (uses):				
Transfer in	12,039,628	-	-	-
Transfer out	(2,482,542)	(2,482,542)	(2,482,542)	-
Total financing sources (uses)	<u>9,557,086</u>	<u>(2,482,542)</u>	<u>(2,482,542)</u>	<u>-</u>
Net changes in fund balances	8,398,040	6,175,056	9,140,292	2,965,236
Fund balances, beginning of year	<u>3,449,807</u>	<u>3,449,807</u>	<u>3,449,807</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,847,847</u>	<u>\$ 9,624,863</u>	<u>\$ 12,590,099</u>	<u>\$ 2,965,236</u>

See notes to required supplementary information

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years
(Unaudited)

	Measurement date					
	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 2,844,836	\$ 2,975,950	\$ 3,014,502	\$ 3,086,079	\$ 3,364,800	\$ 3,517,009
Interest	4,259,329	4,528,512	4,977,651	5,273,704	5,608,564	5,761,293
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	95,587	39,934	288,848	(2,492,833)	(425,946)
Change of assumptions	-	5,088,734	-	-	-	1,274,482
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)	(3,639,007)	(4,016,815)	(4,577,838)
Net change in total pension liability	4,017,887	9,116,474	4,298,263	5,009,624	2,463,716	5,549,000
Total pension liability - beginning	60,968,277	64,986,164	74,102,638	78,400,901	83,410,525	85,874,241
Total pension liability - ending	\$ 64,986,164	\$ 74,102,638	\$ 78,400,901	\$ 83,410,525	\$ 85,874,241	\$ 91,423,241
Contributions - Employer	\$ 1,358,113	\$ 1,390,021	\$ 2,067,639	\$ 2,083,347	\$ 2,227,913	\$ 2,462,185
Contributions - Employee	2,262,508	2,334,190	2,448,428	2,585,695	2,596,875	2,760,308
Net investment income	2,711,022	(350,875)	1,103,719	6,592,197	(2,288,326)	11,570,512
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)	(3,639,007)	(4,016,815)	(4,577,838)
Administrative expense	(118,500)	(123,779)	(165,946)	(136,810)	(150,832)	(114,108)
Other	-	-	-	-	-	-
Net change in plan fiduciary net positions	3,126,865	(322,752)	1,720,016	7,485,422	(1,631,185)	12,101,059
Plan fiduciary net position - beginning	47,733,993	50,860,858	50,538,106	52,258,122	59,743,544	58,112,359
Plan fiduciary net position - ending	\$ 50,860,858	\$ 50,538,106	\$ 52,258,122	\$ 59,743,544	\$ 58,112,359	\$ 70,213,418
Net pension liability	\$ 14,125,306	\$ 23,564,532	\$ 26,142,779	\$ 23,666,981	\$ 27,761,882	\$ 21,209,823
Plan fiduciary net position as a percentage of total pension liability	78.26%	68.20%	66.66%	71.63%	67.67%	76.80%
Covered payroll	\$ 89,179,811	\$ 92,985,815	\$ 95,365,820	\$ 100,135,456	\$ 105,124,301	\$ 110,207,064
Net pension liability as a percentage of covered payroll	15.84%	25.34%	27.41%	23.63%	26.41%	19.25%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to Schedule:

Covered Payroll shown in table is the beginning of year payroll

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Contributions
Last Six Fiscal Years
(Unaudited)

	Fiscal year					
	2015	2016	2017	2018	2019	2020
Actuarially determined contributions	\$ 1,315,126	\$ 1,769,404	\$ 1,998,289	\$ 2,175,101	\$ 2,216,847	\$ 2,592,874
Contributions in relation to the actuarially determined contribution	<u>1,383,222</u>	<u>1,938,397</u>	<u>2,134,394</u>	<u>2,167,799</u>	<u>2,409,435</u>	<u>2,428,276</u>
Contribution deficiency (excess)	\$ <u>(68,096)</u>	\$ <u>(168,993)</u>	\$ <u>(136,105)</u>	\$ <u>7,302</u>	\$ <u>(192,588)</u>	\$ <u>164,598</u>
Covered payroll	\$ 92,833,685	\$ 96,815,705	\$ 99,738,042	\$ 103,999,709	\$ 109,629,118	\$ 113,776,288
Contributions as a percentage of covered payroll	1.49%	2.00%	2.14%	2.08%	2.20%	2.13%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:

Valuation Date: January 1, 2020

Actuarially determined contribution rates are calculated as of January 1st and become effective the following January (12 months later).

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	23 years as of beginning of fiscal year, January 1, 2019
Asset valuations method	5 year smoothing of market related value
Payroll growth rate	3.00%
Inflation	2.50%
Salary increases	3.50%-10.50%
Investment rate of return	6.75%
Retirement age	Varying rates of retirement based on member's age were established based on plan's experience as determined by the TMRS experience study.
Mortality	The RP-2000 tables for males and females projected on a fully generational basis by scale BB to account for future mortality improvements.

Note: GASB 68 requires ten fiscal years of data. The City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years
(Unaudited)

	Measurement date					
	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 4,866,613	\$ 5,025,038	\$ 5,238,602	\$ 5,461,243	\$ 7,166,915	\$ 7,367,953
Interest	17,745,490	19,019,327	20,407,798	21,589,896	21,460,376	21,389,385
Changes of benefit terms	-	-	-	-	-	(3,972,825)
Difference between expected and actual experience	-	(619,021)	-	(744,153)	-	(4,404,456)
Change of assumptions	-	1,719,597	-	14,226,764	-	12,343,919
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)	(14,027,717)	(21,565,844)	(37,983,881)
Net change in total pension liability	15,788,519	17,141,250	16,592,958	26,506,033	7,061,447	(5,259,905)
Total pension liability - beginning	213,725,584	229,514,103	246,655,353	263,248,311	289,754,344	296,815,791
Total pension liability - ending	\$ 229,514,103	\$ 246,655,353	\$ 263,248,311	\$ 289,754,344	\$ 296,815,791	\$ 291,555,886
Contributions - Employer	\$ 4,006,697	\$ 4,273,487	\$ 4,669,981	\$ 5,404,238	\$ 5,666,822	\$ 5,972,625
Contributions - Employee	3,200,993	3,276,795	3,570,998	4,058,163	4,365,593	4,629,457
Net investment income	7,328,533	(4,248,306)	13,434,218	32,063,819	(6,955,330)	28,128,788
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)	(14,027,717)	(21,565,844)	(37,983,881)
Administrative expense	(167,106)	(100,530)	(111,931)	(97,045)	(169,951)	(244,956)
Other	-	-	8,596	2,546	-	-
Net change in plan fiduciary net position	7,545,533	(4,802,245)	12,518,420	27,404,004	(18,658,710)	502,033
Plan fiduciary net position - beginning	171,294,299	178,839,832	174,037,587	186,556,007	213,960,011	195,301,301
Plan fiduciary net position - ending	\$ 178,839,832	\$ 174,037,587	\$ 186,556,007	\$ 213,960,011	\$ 195,301,301	\$ 195,803,334
Net pension liability	\$ 50,674,271	\$ 72,617,766	\$ 76,692,304	\$ 75,794,333	\$ 101,514,490	\$ 95,752,552
Plan fiduciary net position as a percentage of total pension liability	77.92%	70.56%	70.87%	73.84%	65.80%	67.16%
Covered payroll	\$ 26,674,942	\$ 27,306,626	\$ 29,840,134	\$ 32,264,107	\$ 33,831,773	\$ 36,988,450
Net pension liability as a percentage of covered payroll	189.97%	265.93%	257.01%	234.92%	300.06%	258.87%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Contributions
Last Six Fiscal Years
(Unaudited)

	Fiscal year					
	2015	2016	2017	2018	2019	2020
Actuarially determined contributions	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions in relation to the actuarially determined contribution	4,199,033	4,575,029	5,232,858	5,627,123	4,716,897	6,374,030
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 26,880,615	\$ 29,165,421	\$ 31,514,016	\$ 33,594,764	\$ 28,160,579	\$ 37,674,239
Contributions as a percentage of covered payroll	15.62%	15.69%	16.60%	16.75%	16.75%	16.92%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:

Valuation Date: December 31, 2019
Actuarially determined contribution rates were based on the contracted contributions rate.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, open
Remaining amortization period 43.6 years
Asset valuations method 5 yr smoothed market value with a 20% market value corridor
Inflation 2.75%
Salary increases 3% to 15%, including inflation, based on services at attained age.
Investment rate of return 7.00%
Retirement age Experienced -based table of rates that are specific to the pension fund
Mortality All participants are sex distinct with mortality improvement projected 5 years beyond the valuation date using scale MP-2019 and a base year of 2010 from the PubS-2010 and PubS-2010(A)

Other information: Benefit Amendments for active participants hired before 1/1/21: Interest on DROP account will be decreased to 3.3% compounded annually on or after 1/1/21

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years
(Unaudited)

	Measurement date					
	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 13,088,408	\$ 14,870,411	\$ 16,039,813	\$ 16,573,549	\$ 17,451,977	\$ 18,173,805
Interest	42,078,112	43,871,555	44,980,031	46,896,183	48,964,337	51,071,630
Changes in benefit terms	39,545,256	-	-	-	-	-
Difference between expected and actual experience	(2,994,771)	(1,292,278)	(1,160,092)	(345,609)	473,051	2,428,185
Change of assumptions	-	11,730,676	-	-	-	1,643,245
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)	(31,903,469)	(33,944,567)	(38,117,675)
Net change in total pension liability	65,519,274	40,493,824	28,284,837	31,220,654	32,944,798	35,199,190
Total pension liability - beginning	568,125,288	633,644,562	674,138,386	702,423,223	733,643,877	766,588,675
Total pension liability - ending	\$ 633,644,562	\$ 674,138,386	\$ 702,423,223	\$ 733,643,877	\$ 766,588,675	\$ 801,787,865
Contributions - Employer	\$ 10,031,514	\$ 13,069,439	\$ 12,973,950	\$ 14,523,727	\$ 15,331,245	\$ 15,946,614
Contributions - Employee	6,420,961	6,538,152	6,816,447	7,049,857	7,408,912	7,808,204
Net investment income	33,211,991	890,765	40,201,716	86,315,080	(20,913,110)	102,890,032
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)	(31,903,469)	(33,944,567)	(38,117,675)
Administrative expense	(346,774)	(542,586)	(454,093)	(447,396)	(404,321)	(581,658)
Other	(28,511)	(26,799)	(24,466)	(22,674)	(21,124)	(17,473)
Net change in plan fiduciary net position	23,091,450	(8,757,569)	27,938,639	75,515,125	(32,542,965)	87,928,044
Plan fiduciary net position - beginning	580,610,660	603,702,110	594,944,541	622,883,180	698,398,305	665,855,340
Plan fiduciary net position - ending	\$ 603,702,110	\$ 594,944,541	\$ 622,883,180	\$ 698,398,305	\$ 665,855,340	\$ 753,783,384
Net pension liability	\$ 29,942,452	\$ 79,193,845	\$ 79,540,043	\$ 35,245,572	\$ 100,733,335	\$ 48,004,481
Plan fiduciary net position as a percentage of total pension liability	95.27%	88.25%	88.68%	95.20%	86.86%	94.01%
Covered payroll	\$ 90,741,349	\$ 93,289,906	\$ 97,328,964	\$ 100,628,714	\$ 105,577,597	\$ 110,411,940
Net pension liability as a percentage of covered payroll	33.00%	84.89%	81.72%	35.03%	95.41%	43.48%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Contributions
Last Six Fiscal Years
(Unaudited)

	Fiscal year					
	2015	2016	2017	2018	2019	2020
Actuarially determined contributions	\$ 12,319,383	\$ 13,736,507	\$ 14,277,819	\$ 15,316,019	\$ 15,861,297	\$ 16,657,488
Contributions in relation to the actuarially determined contribution	<u>12,319,383</u>	<u>13,736,507</u>	<u>14,277,819</u>	<u>15,316,019</u>	<u>15,861,297</u>	<u>16,657,488</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 92,363,058	\$ 100,416,531	\$ 99,606,896	\$ 104,531,927	\$ 109,022,620	\$ 113,776,288
Contributions as a percentage of covered payroll	13.34%	13.68%	14.33%	14.65%	14.55%	14.64%

Notes to schedules:

Valuation Date: December 31, 2019

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuations method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based tables of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

Mortality
Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Other information: There were no benefit changes during the year.

CITY OF IRVING, TEXAS

Required Supplementary Information Retiree Health Care Plan Schedule of Changes in OPEB Liability and Related Ratios Last Three Fiscal Years (Unaudited)

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Total OPEB Liability			
Service cost	\$ 326,124	\$ 373,227	\$ 322,547
Interest	379,544	353,827	377,362
Difference between expected and actual experience of the total OPEB liability	-	(240,276)	85,319
Changes in assumptions	358,143	(286,808)	260,075
Benefit payments	<u>(72,623)</u>	<u>(646,404)</u>	<u>(739,186)</u>
Net change in total OPEB liability	991,188	(446,434)	306,117
Total OPEB liability - beginning	<u>9,835,039</u>	<u>10,826,227</u>	<u>10,379,793</u>
Total OPEB liability - ending	\$ <u>10,826,227</u>	\$ <u>10,379,793</u>	\$ <u>10,685,910</u>
Covered payroll	\$ 127,514,967	\$ 140,123,963	\$ 146,999,491
Total OPEB liability as a percentage of covered payroll	8.49%	7.41%	7.27%

Notes to schedules:

Note: GASB 75 requires ten fiscal years of data. City implemented GASB 75 in fiscal year 2018, the additional years' information will be added as it becomes available.

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

12/31/2016	3.81%
12/31/2017	3.31%
12/31/2018	3.71%
12/31/2019	2.75%

CITY OF IRVING, TEXAS

Required Supplementary Information
 TMRS Supplemental Death Benefit
 Schedule of Changes in OPEB Liability and Related Ratios
 Last Three Fiscal Years
 (Unaudited)

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Total OPEB Liability			
Service cost	\$ 140,880	\$ 179,482	\$ 154,577
Interest	168,450	170,584	213,283
Difference between expected and actual experience	-	663,471	(953,616)
Changes in assumptions	409,849	(362,618)	956,863
Benefit payments	<u>(40,251)</u>	<u>(42,231)</u>	<u>(44,165)</u>
Net change in total OPEB liability	678,928	608,688	326,942
Total OPEB liability - beginning	<u>4,406,044</u>	<u>5,084,972</u>	<u>5,693,660</u>
Total OPEB liability - ending	\$ <u>5,084,972</u>	\$ <u>5,693,660</u>	\$ <u>6,020,602</u>
Covered payroll	\$ 100,628,714	\$ 105,577,597	\$ 110,411,940
Total OPEB liability as a percentage of covered payroll	5.05%	5.39%	5.45%

Notes to schedules:

Note: GASB 75 requires ten fiscal years of data. City implemented GASB 75 in fiscal year 2018, the additional years' information will be added as it becomes available.

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

12/31/2016	3.81%
12/31/2017	3.31%
12/31/2018	3.71%
12/31/2019	2.75%

CITY OF IRVING, TEXAS

Notes to Required Supplementary Information

September 30, 2020
(unaudited)

(1) Budgets and Budgetary Accounting

Approximately two months prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in advance of and following the initial preparation of the budget at which comments concerning the budget are heard prior to approval of the budget by the City Council.

The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies.

Budget control is exercised at the activity level by department (i.e., City Manager's Office, City Secretary's Office, Financial Services, General Services, etc.). Reported budget amounts are the amounts originally adopted and amended by appropriation ordinances passed by the City Council. All modifications to the adopted budget, at the fund level, require City Council ordinance.

An annual budget for the General Fund and TIF (Special Revenue Major Fund) are adopted on a basis consistent with GAAP. All appropriations lapse at year-end. Additionally, annual budgets are adopted for the Debt Service Fund and Special Revenue Funds on a basis consistent with GAAP. Project length financial plans are adopted for all Capital Project Funds.

(2) Excess Expenditures over Appropriations

The total expenditures for the General Fund were less than the amount budgeted by \$12,811,938 and total expenditures for the TIF fund were less than the amount budgeted by \$3,342,426.

CITY OF IRVING, TEXAS

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds. The Debt Service Fund has a legally adopted budget. The following schedule presents the results on a budget (GAAP) and actual basis.

City of Irving, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Debt Service Fund
Year ended September 30, 2020

	Original Budget	Adjusted Budget	Actual	Variance positive (negative)
Revenues:				
General property taxes	\$ 33,616,993	\$ 34,402,292	\$ 33,679,087	\$ (723,205)
Hotel/motel occupancy taxes	599,621	7,167,415	-	(7,167,415)
Interest	772,662	772,662	567,847	(204,815)
Miscellaneous	-	48,202	-	(48,202)
Total revenues	<u>34,989,276</u>	<u>42,390,571</u>	<u>34,246,934</u>	<u>(8,143,637)</u>
Expenditures:				
Principal on general obligation bonds and tax notes	24,690,000	24,690,000	24,190,000	500,000
Principal on special revenue bonds	4,970,000	5,280,000	5,280,000	-
Principal on revenue bonds	1,370,000	1,370,000	1,370,000	-
Interest on general obligation bonds and tax notes	12,289,191	12,289,191	11,694,792	594,399
Interest on special revenue bonds	9,808,729	9,061,986	9,755,145	(693,159)
Interest on revenue bonds	1,111,695	1,111,695	1,111,695	-
Fiscal fees and charges	798,049	1,122,533	536,208	586,325
Contract payments	260,000	260,000	144,128	115,872
Total expenditures	<u>55,297,664</u>	<u>55,185,405</u>	<u>54,081,968</u>	<u>1,103,437</u>
Deficiency of revenues under expenditures	<u>(20,308,388)</u>	<u>(12,794,834)</u>	<u>(19,835,034)</u>	<u>(7,040,200)</u>
Other financing sources (uses):				
Issuance of general obligation bonds	-	5,710,184	101,461	(5,608,723)
Issuance of special revenue bonds	-	31,230,000	-	(31,230,000)
Premium on bonds issued	-	-	9,655,639	9,655,639
Refunding bonds issued	-	-	62,420,000	62,420,000
Payments to refund escrow	-	(37,318,160)	(71,570,000)	(34,251,840)
Transfer in	21,396,465	13,689,927	20,767,693	7,077,766
Total other financing sources	<u>21,396,465</u>	<u>13,311,951</u>	<u>21,374,793</u>	<u>8,062,842</u>
Net change in fund balance	1,088,077	517,117	1,539,759	1,022,642
Fund balances, beginning of year	<u>20,482,198</u>	<u>20,482,198</u>	<u>20,482,198</u>	<u>-</u>
Fund balances, end of year	<u>\$ 21,570,275</u>	<u>\$ 20,999,315</u>	<u>\$ 22,021,957</u>	<u>\$ 1,022,642</u>

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Irving Convention and Visitors Bureau – This fund is used to account for the City's program to attract conventions and tourists to the City. A portion of the City's hotel/motel occupancy tax finances the Bureau's activities.

Irving Arts Center – This fund is used to account for the City's efforts to encourage and develop the arts through grants to various cultural groups and through the accumulation of funds for the operation and future construction of cultural facilities. A portion of the City's hotel/motel occupancy tax finances the Art Center's activities.

HUD Grants – This fund is used to account for the expenditures resulting from the administration of the federal grants received from the Department of Housing and Urban Development (HUD). The grants included in this fund are the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and the Emergency Shelter Grant (ESG) and Section 108 Guarantee Loan.

Criminal Justice Grant – This fund is used to account for the expenditures of state and federal monies, to provide legal assistance to the City's police department, and to provide a program to reduce juvenile delinquency.

Texas Highway Safety Grant – This fund is used to account for the expenditures of State monies for the Speed and Occupant Selective Traffic Enforcement Program (STEP) Grants.

Local Law Enforcement Block Grant – This fund is used to account for the expenditures of state and federal monies used to purchase equipment and materials for use within the Police Department.

Library Grant Fund - This fund is used to account for the expenditure of monies for the purchase of library materials and equipment.

Emergency Management Grants - This fund is used to account for the expenditure of monies awarded by the Department of Homeland Security to improve the City's ability to prevent, respond to, and recover from acts of terrorism and natural disasters.

Miscellaneous Grants – This fund is used to account for the expenditures of monies for the Department of Health and Human Service, Economic Development Services, and the North Central Texas Council of Governments.

Economic Development Incentive – This fund is used to account for the expenditures of property and sales tax moneys for economic development incentives associated with property and sales tax rebates and job grants.

Irving Golf Fund – This fund is used to record the operating revenues and expenditures of the Irving Golf Club.

Red Light Camera Enforcement – This fund accounts for all revenues and expenditures associated with Red Light Camera traffic enforcement.

Public, Educational, and Government Access (PEG Fees) Fund-This fund is used to record the surcharge from cable fees and is designated to fund capital related expenditures for Irving Community Television Network (ICTN).

Tree Mitigation Fund – This fund is used to assess developers for tree mitigation efforts. Accumulated funds are restricted for future tree plantings for development projects.

Museum Fund – This fund is used to account for the Hotel/Motel Tax revenue that has been designated for the building and operation of museums in Irving.

Historical Preservation – This fund is used to account for the City's efforts to preserve and restore historical sites within the City. A portion of the City's hotel/motel occupancy tax finances the fund's activities.

Convention Center Complex – This fund is used to account for the Hotel/Motel Tax revenue that has been earmarked for the building maintenance of the Irving Convention Center Complex.

HQ Hotel Public Space Fund – This fund is used to account for the Hotel Motel Tax revenue that has been earmarked for the building maintenance of the Convention Center Hotel.

CITY OF IRVING, TEXAS

Convention Center Hotel Reserve – This fund is used to account for Convention Center Hotel revenues after debt service requirements are funded in each year.

Entertainment Venue (EV) – This fund is used to account for the additional two percent Hotel Motel Tax revenue, ten percent EV admissions tax, and seventy five percent sales tax and mixed beverage tax that is being collected to provide funding for an EV as part of the Convention Center complex.

Police Narcotics – This fund is used to account for the expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state and federal law.

Municipal Court Security Fees – This fund is used to account for the collection of fees imposed on fines authorized by the state legislature for technology and security measures utilized in the Court Building.

Miscellaneous Special Revenue Fund – This fund is used to account for the receipt of non-governmental donations and associated expenditures. Currently, this fund is used by the Irving Municipal Court, Irving Fire Department, Housing and Human Services, and Animal Services.

Irving Housing Finance Corporation – This fund is used to record expenditures resulting from the purchases of real estate for rehabilitation/ new construction and homebuyer assistance to the citizens of Irving.

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Special Revenue Funds).

Storm Sewer – This fund is used to account for the financing and construction of improvements to and the extension of the City's storm sewer system. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Non-bond CIP – This fund is used to account for the purchases and construction of miscellaneous capital projects that are not required either legally or contractually to be accounted for in an individual fund. These projects are being funded through a transfer from the General Fund and interest on investments.

DART – This fund is used to account for the construction of improvements to and the extension of the City's streets, which are part of the DART transportation routes. The construction is financed from sales tax proceeds remitted to the City through DART and interest on investments.

Street Improvement Fund – This fund was established to account for construction of the City's street infrastructure. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Park Improvement – This fund is used to account for the financing of improvements to and enlargements of the City's parks. These improvements and enlargements are funded by general obligation bond proceeds and interest on investments.

Fire Station – This fund is used to account for the financing of the construction and renovation of fire stations and the acquisition of firefighting equipment. General obligation bond proceeds and interest on investments are the sources of financing of the building renovation and equipment purchases.

Criminal Justice – This fund is used to account for the financing and construction of police and court-related facilities. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Landfill – This fund is used to account for the financing of improvements to the municipal sanitary landfill. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

City Building Improvement – This fund is used to account for the financing of improvements and remodeling of various City buildings. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

HQ Hotel Public Space Bond – This fund is used to account for revenue supported/tax pledge funding for the construction of public infrastructure related to the Convention Center Hotel.

CITY OF IRVING, TEXAS

Convention Center Hotel Garage Bond– This fund is used to account for tax-supported funding for the construction of public infrastructure related to Convention Center Hotel.

Radio Communication Systems – This fund is used to account for the purchase of a citywide radio communications system. The proceeds of general obligation bonds and interest on investments are used to finance the purchase.

Veteran’s Memorial Park – This fund is used to account for the construction, improvements and maintenance of the Veteran’s Memorial at its existing location from General Obligation Bonds and interest on investments.

Infrastructure – This fund is used to account for Capital Improvement Program projects funded through the sale of certificate of obligations. Certificates of obligations are approved by Council and are issued to finance projects that were not anticipated or authorized by voters in general obligation bond elections.

Gateway Development – This fund is used to account for public capital improvements associated with private developments. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Texas Stadium Venue Project – This fund was established to account for 10 percent admissions tax and a tax on parking fees (under a state statute referred to as the Brimer bill) collected during the final football seasons. These funds assist the City in assuming responsibility for the venue site and facilities and will be applied to fund a range of capital project authorized under that statute.

Entertainment Venue – This fund was established to account for the construction of the City’s Entertainment Venue. The proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes are used to finance the project.

PID #3 Parkside – This fund is used to account for capital improvements associated within the Parkside Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

Youth Development and Community Center Bond – This fund was established to account for the construction of the City’s Youth Development and Community Center. The proceeds of general obligation bonds and interest on investments are used to finance the project.

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue Funds			
	Irving Convention and Visitors Bureau	Irving Arts Center	HUD grants	Criminal Justice Grant
ASSETS				
Cash and cash equivalents	\$ 1,826,215	\$ 6,126,926	\$ 51,524	\$ -
Investments	-	-	-	-
Taxes	754,771	470,077	-	-
Franchise fees	-	-	-	-
Accrued interest	255	715	-	-
Due from other funds	53,370	706	-	-
Due from other governments	-	-	1,961,442	39,647
Prepays	-	2,500	-	-
Total assets	<u>\$ 2,634,611</u>	<u>\$ 6,600,924</u>	<u>\$ 2,012,966</u>	<u>\$ 39,647</u>
LIABILITIES				
Accounts payable	\$ 217,935	\$ 72,050	\$ 554,536	\$ -
Accrued wages and benefits	111,809	89,151	46,768	11,754
Other payables	-	76,057	-	-
Due to other funds	30,269	28,675	1,747,363	31,314
Retainage payable	-	-	-	-
Unearned revenue	20,625	-	289,848	-
Total liabilities	<u>380,638</u>	<u>265,933</u>	<u>2,638,515</u>	<u>43,068</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	1,584,487	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,584,487</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Prepaid assets	-	2,500	-	-
Restricted				
Communication systems	-	-	-	-
Community development	2,253,973	6,332,491	-	-
Court	-	-	-	-
Fire	-	-	-	-
Fire facilities	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Committed				
Community development	-	-	-	-
Assigned				
Community development	-	-	-	-
Parks and Recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	(2,210,036)	(3,421)
Total fund balances (deficits)	<u>2,253,973</u>	<u>6,334,991</u>	<u>(2,210,036)</u>	<u>(3,421)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,634,611</u>	<u>\$ 6,600,924</u>	<u>\$ 2,012,966</u>	<u>\$ 39,647</u>

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(Continued)

Special Revenue Funds

Texas Highway Safety Grant	Local Law Enforcement Block Grant	Library Grant Fund	Emergency Management Grants	Misc. Grant	Economic Development Incentive	Irving Golf Fund
\$ -	\$ -	\$ -	\$ -	\$ 4,718,811	\$ 1,493,241	\$ 209,352
-	-	-	-	-	3,387,808	-
-	-	-	-	-	-	-
-	-	-	-	-	7,022	-
-	-	-	-	-	-	-
29,837	79,080	23,645	227,477	2,738,928	-	-
-	-	-	-	-	-	-
<u>\$ 29,837</u>	<u>\$ 79,080</u>	<u>\$ 23,645</u>	<u>\$ 227,477</u>	<u>\$ 7,457,739</u>	<u>\$ 4,888,071</u>	<u>\$ 209,352</u>
\$ -	\$ -	\$ -	\$ -	\$ 105,239	\$ 6,096	\$ -
8,618	13,935	-	8,325	13,597	-	-
-	-	-	-	-	-	-
21,095	54,061	7,627	200,766	53,370	-	-
-	-	-	-	-	-	-
-	11,084	-	147,815	7,010,155	-	-
<u>29,713</u>	<u>79,080</u>	<u>7,627</u>	<u>356,906</u>	<u>7,182,361</u>	<u>6,096</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	51,720	-	-
-	-	-	-	-	-	-
-	-	16,018	-	-	-	-
-	-	-	-	-	-	-
124	-	-	-	252,253	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,198,200	-
-	-	-	-	-	683,775	-
-	-	-	-	-	-	209,352
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(129,429)	(28,595)	-	-
<u>124</u>	<u>-</u>	<u>16,018</u>	<u>(129,429)</u>	<u>275,378</u>	<u>4,881,975</u>	<u>209,352</u>
<u>\$ 29,837</u>	<u>\$ 79,080</u>	<u>\$ 23,645</u>	<u>\$ 227,477</u>	<u>\$ 7,457,739</u>	<u>\$ 4,888,071</u>	<u>\$ 209,352</u>

Special Revenue Funds

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City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(Continued)

Special Revenue Funds

Convention Center Hotel Reserve	Entertainment Venue	Police Narcotics	Municipal Court Security Fees	Misc Special Revenue	Irving Housing Finance Corp	Total Nonmajor Special revenue funds
\$ -	\$ 2,009,126	\$ 2,107,266	\$ 467,375	\$ 563,551	\$ 182,890	\$ 25,265,490
-	3,997,227	-	1,694,251	-	-	9,177,922
-	664,285	-	10,000	-	-	2,588,672
-	-	-	-	-	-	69,509
269	641	-	4,075	-	-	13,317
-	-	-	-	-	-	54,076
-	-	-	-	-	-	5,100,056
-	-	-	-	-	-	2,500
<u>\$ 269</u>	<u>\$ 6,671,279</u>	<u>\$ 2,107,266</u>	<u>\$ 2,175,701</u>	<u>\$ 563,551</u>	<u>\$ 182,890</u>	<u>\$ 42,271,542</u>
\$ -	\$ 111,765	\$ 47,533	\$ 49,274	\$ 2,531	\$ -	\$ 1,186,338
-	-	878	4,610	-	-	327,609
-	-	203,453	-	-	-	279,510
-	-	-	-	-	-	2,179,921
-	-	-	-	-	-	-
-	-	-	-	-	-	7,479,527
<u>-</u>	<u>111,765</u>	<u>251,864</u>	<u>53,884</u>	<u>2,531</u>	<u>-</u>	<u>11,452,905</u>
-	-	-	-	-	-	1,584,487
-	-	-	-	-	-	1,584,487
-	-	-	-	-	-	2,500
-	-	-	-	-	-	-
269	6,559,514	-	-	18,894	182,890	21,304,917
-	-	-	2,121,817	1,286	-	2,123,103
-	-	-	-	41,285	-	93,005
-	-	-	-	-	-	-
-	-	-	-	227,967	-	243,985
-	-	-	-	48,083	-	48,083
-	-	1,855,402	-	223,505	-	2,698,711
-	-	-	-	-	-	-
-	-	-	-	-	-	4,198,200
-	-	-	-	-	-	683,775
-	-	-	-	-	-	209,352
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(2,371,481)
<u>269</u>	<u>6,559,514</u>	<u>1,855,402</u>	<u>2,121,817</u>	<u>561,020</u>	<u>182,890</u>	<u>29,234,150</u>
<u>\$ 269</u>	<u>\$ 6,671,279</u>	<u>\$ 2,107,266</u>	<u>\$ 2,175,701</u>	<u>\$ 563,551</u>	<u>\$ 182,890</u>	<u>\$ 42,271,542</u>

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Capital Projects Funds		
	Storm Sewer	Non-bond CIP	DART
ASSETS			
Cash and cash equivalents	\$ 6,161,501	\$ 11,904,424	\$ 131,951
Investments	-	9,976,211	-
Taxes	-	-	-
Franchise fees	-	-	-
Accrued interest	776	20,440	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepays	-	-	-
Total assets	<u>\$ 6,162,277</u>	<u>\$ 21,901,075</u>	<u>\$ 131,951</u>
LIABILITIES			
Accounts payable	\$ 635,684	\$ 511,174	\$ -
Accrued wages and benefits	-	-	-
Other payables	-	-	-
Due to other funds	-	-	-
Retainage payable	664,249	409,908	-
Unearned revenue	-	-	-
Total liabilities	<u>1,299,933</u>	<u>921,082</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable			
Prepaid assets	-	-	-
Restricted			
Communication systems	-	-	-
Community development	-	-	-
Court	-	-	-
Fire	-	-	-
Fire facilities	-	-	-
Library	-	-	-
Parks and recreation	-	-	-
Police	-	-	-
Public works	4,862,344	-	131,951
Committed			
Community development	-	-	-
Assigned			
Community development	-	-	-
Parks and Recreation	-	867,495	-
Public works	-	17,797,905	-
Other capital projects	-	2,314,593	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>4,862,344</u>	<u>20,979,993</u>	<u>131,951</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 6,162,277</u>	<u>\$ 21,901,075</u>	<u>\$ 131,951</u>

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(Continued)

Capital Projects Funds

Street Improvement	Park Improvement	Fire Station	Criminal Justice	Landfill	City Building Improvement
\$ 29,135,689	\$ 9,100,754	\$ 2,390,285	\$ 8,198	\$ 1,461,146	\$ 2,794,762
14,991,085	1,998,827	-	-	-	999,413
-	-	-	-	-	-
-	-	-	-	-	-
3,730	487	269	-	108	254
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 44,130,504</u>	<u>\$ 11,100,068</u>	<u>\$ 2,390,554</u>	<u>\$ 8,198</u>	<u>\$ 1,461,254</u>	<u>\$ 3,794,429</u>
\$ 1,024,086	\$ 735,587	\$ 120,710	\$ -	\$ -	\$ 161,002
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
137,528	161,004	160,606	-	-	-
-	-	-	-	-	-
<u>1,161,614</u>	<u>896,591</u>	<u>281,316</u>	<u>-</u>	<u>-</u>	<u>161,002</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,109,238	-	-	-
-	-	-	-	-	-
-	10,203,477	-	-	-	-
-	-	-	8,198	-	-
42,968,890	-	-	-	1,461,254	3,633,427
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,968,890</u>	<u>10,203,477</u>	<u>2,109,238</u>	<u>8,198</u>	<u>1,461,254</u>	<u>3,633,427</u>
<u>\$ 44,130,504</u>	<u>\$ 11,100,068</u>	<u>\$ 2,390,554</u>	<u>\$ 8,198</u>	<u>\$ 1,461,254</u>	<u>\$ 3,794,429</u>

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(Continued)

Capital Projects Funds					
HQ Hotel Public Space Bond	Convention Center Hotel Garage Bond	Radio Communication Systems	Veterans Memorial Park	Infrastructure Fund	Gateway Development
\$ 417,765	\$ 507,743	\$ 2,323,769	\$ 10,737	\$ 1,627,109	\$ 2,085,963
-	-	2,993,678	-	-	1,249,276
-	-	-	-	-	-
46	60	5,060	-	53	218
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 417,811</u>	<u>\$ 507,803</u>	<u>\$ 5,322,507</u>	<u>\$ 10,737</u>	<u>\$ 1,627,162</u>	<u>\$ 3,335,457</u>
\$ -	\$ -	\$ -	\$ -	\$ 22,920	\$ 59,493
-	-	-	-	-	-
-	-	-	-	-	-
214,538	-	-	-	-	-
-	-	-	-	-	-
<u>214,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,920</u>	<u>59,493</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,322,507	-	-	-
203,273	507,803	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,737	-	-
-	-	-	-	-	-
-	-	-	-	1,604,242	3,275,964
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>203,273</u>	<u>507,803</u>	<u>5,322,507</u>	<u>10,737</u>	<u>1,604,242</u>	<u>3,275,964</u>
<u>\$ 417,811</u>	<u>\$ 507,803</u>	<u>\$ 5,322,507</u>	<u>\$ 10,737</u>	<u>\$ 1,627,162</u>	<u>\$ 3,335,457</u>

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(Continued)

Capital Projects Funds

Texas Stadium Venue Project	Entertainment Venue	PID #3 Parkside	Youth Development and Community Center Bond	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 706,953	\$ 131,500	\$ -	\$ 500,000	\$ 71,400,249	\$ 96,665,739
-	-	-	-	32,208,490	41,386,412
-	-	-	-	-	2,588,672
-	-	-	-	-	69,509
55	-	-	17	31,573	44,890
-	-	-	-	-	54,076
-	-	-	-	-	5,100,056
-	-	-	-	-	2,500
<u>\$ 707,008</u>	<u>\$ 131,500</u>	<u>\$ -</u>	<u>\$ 500,017</u>	<u>\$ 103,640,312</u>	<u>\$ 145,911,854</u>
\$ 550	\$ -	\$ -	\$ -	\$ 3,271,206	\$ 4,457,544
-	-	-	-	-	327,609
-	-	-	-	-	279,510
-	-	-	-	-	2,179,921
-	-	-	-	1,747,833	1,747,833
-	-	-	-	-	7,479,527
<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,019,039</u>	<u>16,471,944</u>
-	-	-	-	-	1,584,487
-	-	-	-	-	1,584,487
-	-	-	-	-	2,500
-	-	-	-	5,322,507	5,322,507
706,458	131,500	-	500,017	2,049,051	23,353,968
-	-	-	-	-	2,123,103
-	-	-	-	-	93,005
-	-	-	-	2,109,238	2,109,238
-	-	-	-	-	243,985
-	-	-	-	10,214,214	10,262,297
-	-	-	-	8,198	2,706,909
-	-	-	-	57,938,072	57,938,072
-	-	-	-	-	4,198,200
-	-	-	-	-	683,775
-	-	-	-	867,495	1,076,847
-	-	-	-	17,797,905	17,797,905
-	-	-	-	2,314,593	2,314,593
-	-	-	-	-	(2,371,481)
<u>706,458</u>	<u>131,500</u>	<u>-</u>	<u>500,017</u>	<u>98,621,273</u>	<u>127,855,423</u>
<u>\$ 707,008</u>	<u>\$ 131,500</u>	<u>\$ -</u>	<u>\$ 500,017</u>	<u>\$ 103,640,312</u>	<u>\$ 145,911,854</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue Funds			
	Irving Convention and Visitors Bureau	Irving Arts Center	HUD grants	Criminal Justice Grant
REVENUES				
Taxes	\$ 4,921,010	\$ 3,064,839	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	285,720	-	-
Intergovernmental	-	-	3,458,922	170,026
Investment income	31,441	55,774	38	-
Miscellaneous	338,383	86,913	92,256	-
Total revenues	<u>5,290,834</u>	<u>3,493,246</u>	<u>3,551,216</u>	<u>170,026</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Police	-	-	-	279,587
Fire	-	-	-	-
Parks and recreation	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	8,406,912	4,129,563	4,114,056	-
Public works	-	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,406,912</u>	<u>4,129,563</u>	<u>4,114,056</u>	<u>279,587</u>
Excess (deficiency) of revenues over expenditures	<u>(3,116,078)</u>	<u>(636,317)</u>	<u>(562,840)</u>	<u>(109,561)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	109,561
Transfers out	-	-	(26,540)	-
Issuance of general obligation, tax notes and certificate of obligation bonds	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(26,540)</u>	<u>109,561</u>
Net change in fund balances	(3,116,078)	(636,317)	(589,380)	-
Fund balances - beginning	5,370,051	6,971,308	(1,620,656)	(3,421)
Fund balances - ending	<u>\$ 2,253,973</u>	<u>\$ 6,334,991</u>	<u>\$ (2,210,036)</u>	<u>\$ (3,421)</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Special Revenue Funds

Texas Highway Safety Grant	Local Law Enforcement Block Grant	Library Grant Fund	Emergency Management Grants	Misc. Grant	Economic Development Incentive	Irving Golf Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,548,093	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	1,088,041
121,833	151,140	23,645	254,029	4,342,808	370,503	-
-	-	-	-	-	8,895	-
-	-	23,836	359	5,270	-	-
<u>121,833</u>	<u>151,140</u>	<u>47,481</u>	<u>254,388</u>	<u>4,348,078</u>	<u>15,927,491</u>	<u>1,088,041</u>
-	-	-	-	860,481	-	-
171,281	347,678	-	345,303	283,219	-	-
-	-	-	-	2,535,374	-	-
-	-	-	-	100,287	-	1,046,630
-	-	-	-	4,535	-	-
-	-	76,916	-	4,361	-	-
-	-	-	-	557,887	14,986,283	-
-	-	-	-	164,448	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>171,281</u>	<u>347,678</u>	<u>76,916</u>	<u>345,303</u>	<u>4,510,592</u>	<u>14,986,283</u>	<u>1,046,630</u>
<u>(49,448)</u>	<u>(196,538)</u>	<u>(29,435)</u>	<u>(90,915)</u>	<u>(162,514)</u>	<u>941,208</u>	<u>41,411</u>
49,572	196,538	-	6,163	166,239	3,940,767	65,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>49,572</u>	<u>196,538</u>	<u>-</u>	<u>6,163</u>	<u>166,239</u>	<u>3,940,767</u>	<u>65,000</u>
124	-	(29,435)	(84,752)	3,725	4,881,975	106,411
-	-	45,453	(44,677)	271,653	-	102,941
<u>\$ 124</u>	<u>\$ -</u>	<u>\$ 16,018</u>	<u>\$ (129,429)</u>	<u>\$ 275,378</u>	<u>\$ 4,881,975</u>	<u>\$ 209,352</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Special Revenue Funds

Red Light Camera Enforcement	PEG Fees Fund	Tree Mitigation Fund	Museum Fund	Historical Preservation	Convention Center Complex	HQ Hotel Public Space Fund
\$ -	\$ 417,471	\$ -	\$ 215,834	\$ 86,334	\$ 3,982,340	\$ 447,240
-	-	-	-	-	-	-
-	-	-	2,086	-	-	-
-	-	-	7,500	-	-	1,161,878
-	-	-	19,254	5,359	66,101	2,365
-	-	540	57,216	-	-	-
-	417,471	540	301,890	91,693	4,048,441	1,611,483
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	530	-	-
-	-	-	-	-	-	-
-	228,899	-	1,300,070	10,183	-	-
340	-	-	-	-	-	-
-	-	-	-	-	-	-
340	228,899	-	1,300,070	10,713	-	-
(340)	188,572	540	(998,180)	80,980	4,048,441	1,611,483
-	-	-	-	-	-	-
(197,750)	-	-	-	-	(7,167,415)	(1,761,648)
-	-	-	-	-	-	-
(197,750)	-	-	-	-	(7,167,415)	(1,761,648)
(198,090)	188,572	540	(998,180)	80,980	(3,118,974)	(150,165)
565,517	885,306	-	2,687,970	503,421	5,523,759	353,657
\$ 367,427	\$ 1,073,878	\$ 540	\$ 1,689,790	\$ 584,401	\$ 2,404,785	\$ 203,492

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Special Revenue Funds

Convention Center Hotel Reserve	Entertainment Venue	Police Narcotics	Municipal Court Security Fees	Misc Special Revenue	Irving Housing Finance Corp	Total Nonmajor Special revenue funds
\$ -	\$ 4,604,059	\$ -	\$ -	\$ -	\$ -	\$ 33,287,220
-	-	-	282,308	-	-	282,308
-	-	-	-	-	-	1,375,847
-	1,171,846	533,867	-	-	-	11,767,997
269	95,348	-	27,684	-	-	312,528
-	-	-	10,854	190,179	2	805,808
269	5,871,253	533,867	320,846	190,179	2	47,831,708
-	1,353	-	-	785	-	862,619
-	-	281,188	-	46,044	-	1,754,300
-	-	-	-	2,897	-	2,538,271
-	-	-	-	4,495	-	1,151,942
-	-	-	276,905	-	-	281,440
-	-	-	-	63,205	-	144,482
-	3,185,119	-	-	-	-	36,918,972
-	-	-	-	-	-	164,788
-	-	-	-	-	-	-
-	3,186,472	281,188	276,905	117,426	-	43,816,814
269	2,684,781	252,679	43,941	72,753	2	4,014,894
-	-	-	-	-	-	4,533,840
-	(4,800,449)	-	-	-	-	(13,953,802)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,800,449)	-	-	-	-	(9,419,962)
269	(2,115,668)	252,679	43,941	72,753	2	(5,405,068)
-	8,675,182	1,602,723	2,077,876	488,267	182,888	34,639,218
\$ 269	\$ 6,559,514	\$ 1,855,402	\$ 2,121,817	\$ 561,020	\$ 182,890	\$ 29,234,150

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Capital Projects Funds		
	Storm Sewer	Non-bond CIP	DART
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-
Charges for services	-	-	-
Intergovernmental	-	2,678,738	-
Investment income	154,281	283,027	1,853
Miscellaneous	-	9,883	-
Total revenues	<u>154,281</u>	<u>2,971,648</u>	<u>1,853</u>
EXPENDITURES			
Current:			
General government	-	-	-
Police	-	-	-
Fire	-	-	-
Parks and recreation	-	-	-
Municipal court	-	-	-
Library	-	-	-
Community development	-	-	-
Public works	-	-	-
Debt service:			
Interest and other charges	-	-	-
Capital outlay	13,741,003	9,368,760	-
Total expenditures	<u>13,741,003</u>	<u>9,368,760</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(13,586,722)</u>	<u>(6,397,112)</u>	<u>1,853</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,050,059	-
Transfers out	-	-	-
Issuance of general obligation, tax notes and certificate of obligation bonds	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,050,059</u>	<u>-</u>
Net change in fund balances	(13,586,722)	(5,347,053)	1,853
Fund balances - beginning	18,449,066	26,327,046	130,098
Fund balances - ending	<u>\$ 4,862,344</u>	<u>\$ 20,979,993</u>	<u>\$ 131,951</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Capital Projects Funds

Street Improvement	Park Improvement	Fire Station	Criminal Justice	Landfill	City Building Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
502,948	43,312	42,081	-	16,117	26,613
-	-	3,260	-	293	-
<u>502,948</u>	<u>43,312</u>	<u>45,341</u>	<u>-</u>	<u>16,410</u>	<u>26,613</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,576	76,623	-	7,405	-	15,967
13,520,183	3,760,147	3,102,299	-	-	1,791,596
<u>13,587,759</u>	<u>3,836,770</u>	<u>3,102,299</u>	<u>7,405</u>	<u>-</u>	<u>1,807,563</u>
<u>(13,084,811)</u>	<u>(3,793,458)</u>	<u>(3,056,958)</u>	<u>(7,405)</u>	<u>16,410</u>	<u>(1,780,950)</u>
-	-	-	-	-	-
(252,986)	-	-	-	-	-
8,814,597	8,547,488	-	-	-	1,780,727
1,162,647	1,127,415	-	-	-	234,878
<u>9,724,258</u>	<u>9,674,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,015,605</u>
(3,360,553)	5,881,445	(3,056,958)	(7,405)	16,410	234,655
46,329,443	4,322,032	5,166,196	15,603	1,444,844	3,398,772
<u>\$ 42,968,890</u>	<u>\$ 10,203,477</u>	<u>\$ 2,109,238</u>	<u>\$ 8,198</u>	<u>\$ 1,461,254</u>	<u>\$ 3,633,427</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Capital Projects Funds

HQ Hotel Public Space Bond	Convention Center Hotel Garage Bond	Radio Communication Systems	Veterans Memorial Park	Infrastructure Fund	Gateway Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,979	4,656	81,873	-	9,625	26,716
-	-	3,888	-	-	-
<u>3,979</u>	<u>4,656</u>	<u>85,761</u>	<u>-</u>	<u>9,625</u>	<u>26,716</u>
-	-	-	-	-	-
-	-	-	-	-	11,704
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	89,760	-
-	-	1,874,590	2,150	3,732,196	1,314,147
-	-	<u>1,874,590</u>	<u>2,150</u>	<u>3,821,956</u>	<u>1,325,851</u>
<u>3,979</u>	<u>4,656</u>	<u>(1,788,829)</u>	<u>(2,150)</u>	<u>(3,812,331)</u>	<u>(1,299,135)</u>
-	-	-	-	-	-
-	-	-	-	-	(148,000)
-	-	-	-	3,145,000	1,335,545
-	-	-	-	354,427	176,159
-	-	-	-	<u>3,499,427</u>	<u>1,363,704</u>
3,979	4,656	(1,788,829)	(2,150)	(312,904)	64,569
199,294	503,147	7,111,336	12,887	1,917,146	3,211,395
<u>\$ 203,273</u>	<u>\$ 507,803</u>	<u>\$ 5,322,507</u>	<u>\$ 10,737</u>	<u>\$ 1,604,242</u>	<u>\$ 3,275,964</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020
(Continued)

Capital Projects Funds

Texas Stadium Venue Project	Entertainment Venue	PID #3 Parkside	Youth Development and Community Center Bond	Total Nonmajor Capital projects funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,287,220
-	-	-	-	-	282,308
-	-	-	-	-	1,375,847
-	-	-	-	2,678,738	14,446,735
7,745	-	-	16	1,204,842	1,517,370
-	-	-	-	17,324	823,132
<u>7,745</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>3,900,904</u>	<u>51,732,612</u>
-	-	-	3,901	15,605	878,224
-	-	-	-	-	1,687,198
-	-	-	-	-	2,538,271
-	-	-	-	-	1,151,942
-	-	-	-	-	214,460
-	-	-	-	-	144,482
-	-	-	-	-	35,729,204
-	-	-	-	-	164,788
-	-	-	-	257,331	257,331
5,278	-	-	-	52,212,349	53,536,199
<u>5,278</u>	<u>-</u>	<u>-</u>	<u>3,901</u>	<u>52,485,285</u>	<u>96,302,099</u>
<u>2,467</u>	<u>-</u>	<u>-</u>	<u>(3,885)</u>	<u>(48,584,381)</u>	<u>(44,569,487)</u>
-	-	-	-	1,050,059	5,583,899
-	-	(48,203)	-	(449,189)	(14,402,991)
-	-	-	445,182	24,068,539	24,068,539
-	-	-	58,720	3,114,246	3,114,246
<u>-</u>	<u>-</u>	<u>(48,203)</u>	<u>503,902</u>	<u>27,783,655</u>	<u>18,363,693</u>
2,467	-	(48,203)	500,017	(20,800,726)	(26,205,794)
703,991	131,500	48,203	-	119,421,999	154,061,217
<u>\$ 706,458</u>	<u>\$ 131,500</u>	<u>\$ -</u>	<u>\$ 500,017</u>	<u>\$ 98,621,273</u>	<u>\$ 127,855,423</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Criminal Justice Grant Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	\$ 385,155	170,026	(215,129)
Total revenues	<u>385,155</u>	<u>170,026</u>	<u>(215,129)</u>
Expenditures:			
Police	477,110	279,587	197,523
Total expenditures	<u>477,110</u>	<u>279,587</u>	<u>197,523</u>
Deficiency of revenues under expenditures	(91,955)	(109,561)	(17,606)
Other financing sources:			
Transfers in	95,376	109,561	14,185
Total other financing sources:	<u>95,376</u>	<u>109,561</u>	<u>14,185</u>
Net change in fund balances	3,421	-	(3,421)
Fund balances, beginning of year	<u>(3,421)</u>	<u>(3,421)</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>(3,421)</u>	<u>(3,421)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Convention and Visitors Bureau Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 8,544,599	4,921,010	(3,623,589)
Investment income	73,000	31,441	(41,559)
Miscellaneous	366,000	338,383	(27,617)
Total revenues	<u>8,983,599</u>	<u>5,290,834</u>	<u>(3,692,765)</u>
Expenditures:			
Community Development	<u>10,443,331</u>	<u>8,406,912</u>	<u>2,036,419</u>
Total expenditures	<u>10,443,331</u>	<u>8,406,912</u>	<u>2,036,419</u>
Deficiency of revenues under expenditures	<u>(1,459,732)</u>	<u>(3,116,078)</u>	<u>(1,656,346)</u>
Net change in fund balances	<u>(1,459,732)</u>	<u>(3,116,078)</u>	<u>(1,656,346)</u>
Fund balances, beginning of year	<u>5,370,051</u>	<u>5,370,051</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,910,319</u>	<u>2,253,973</u>	<u>(1,656,346)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Arts Center Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Taxes	\$ 4,747,650	3,064,839	(1,682,811)
Charges for services	654,626	285,720	(368,906)
Investment income	43,851	55,774	11,923
Miscellaneous	176,160	86,913	(89,247)
Total revenues	<u>5,622,287</u>	<u>3,493,246</u>	<u>(2,129,041)</u>
Expenditures:			
Community Development	<u>6,434,532</u>	<u>4,129,563</u>	<u>2,304,969</u>
Total expenditures	<u>6,434,532</u>	<u>4,129,563</u>	<u>2,304,969</u>
Deficiency of revenues under expenditures	<u>(812,245)</u>	<u>(636,317)</u>	<u>175,928</u>
Net change in fund balances	(812,245)	(636,317)	175,928
Fund balances, beginning of year	<u>6,971,308</u>	<u>6,971,308</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 6,159,063</u></u>	<u><u>6,334,991</u></u>	<u><u>175,928</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Police Narcotics Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Intergovernmental	\$ 316,000	533,867	217,867
Miscellaneous	10,000	-	(10,000)
Total revenues	<u>326,000</u>	<u>533,867</u>	<u>207,867</u>
Expenditures:			
Police	<u>981,943</u>	<u>281,188</u>	<u>700,755</u>
Total expenditures	<u>981,943</u>	<u>281,188</u>	<u>700,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(655,943)</u>	<u>252,679</u>	<u>908,622</u>
Net change in fund balances	(655,943)	252,679	908,622
Fund balances, beginning of year	<u>1,602,723</u>	<u>1,602,723</u>	<u>-</u>
Fund balances, end of year	<u>\$ 946,780</u>	<u>1,855,402</u>	<u>908,622</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Historical Preservation Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Taxes	\$ 150,755	86,334	(64,421)
Investment income	4,957	5,359	402
Total revenues	<u>155,712</u>	<u>91,693</u>	<u>(64,019)</u>
Expenditures:			
Parks	-	530	(530)
Community development	116,940	10,183	106,757
Total expenditures	<u>116,940</u>	<u>10,713</u>	<u>106,227</u>
Excess of revenues over expenditures	<u>38,772</u>	<u>80,980</u>	<u>42,208</u>
Net change in fund balances	38,772	80,980	42,208
Fund balances, beginning of year	<u>503,421</u>	<u>503,421</u>	<u>-</u>
Fund balances, end of year	<u>\$ 542,193</u>	<u>584,401</u>	<u>42,208</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Local Law Enforcement Block Grant Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	\$ 193,809	151,140	(42,669)
Total revenues	<u>193,809</u>	<u>151,140</u>	<u>(42,669)</u>
Expenditures:			
Police	<u>252,383</u>	<u>347,678</u>	<u>(95,295)</u>
Total expenditures	<u>252,383</u>	<u>347,678</u>	<u>(95,295)</u>
Deficiency of revenues under expenditures	(58,574)	(196,538)	(137,964)
Other financing sources:			
Transfers in	<u>246,680</u>	<u>196,538</u>	<u>(50,142)</u>
Total other financing sources	<u>246,680</u>	<u>196,538</u>	<u>(50,142)</u>
Net change in fund balances	188,106	-	(188,106)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ 188,106</u>	<u>-</u>	<u>(188,106)</u>

CITY OF IRVING, TEXAS**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Municipal Court Security Fees Fund**

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Fines	\$ 333,355	282,308	(51,047)
Miscellaneous	42,515	10,854	(31,661)
Investment income	37,519	27,684	(9,835)
Total revenues	<u>413,389</u>	<u>320,846</u>	<u>(92,543)</u>
Expenditures:			
Municipal court	719,835	276,905	442,930
Total expenditures	<u>719,835</u>	<u>276,905</u>	<u>442,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(306,446)</u>	<u>43,941</u>	<u>350,387</u>
Net change in fund balances	(306,446)	43,941	350,387
Fund balances, beginning of year	<u>2,077,876</u>	<u>2,077,876</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,771,430</u>	<u>2,121,817</u>	<u>350,387</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Texas Highway Safety Grant Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Intergovernmental	\$ <u>147,821</u>	<u>121,833</u>	<u>(25,988)</u>
Total revenues	<u>147,821</u>	<u>121,833</u>	<u>(25,988)</u>
Expenditures:			
Police	<u>200,899</u>	<u>171,281</u>	<u>29,618</u>
Total expenditures	<u>200,899</u>	<u>171,281</u>	<u>29,618</u>
Deficiency of revenues under expenditures	(53,078)	(49,448)	3,630
Other financing sources:			
Transfers in	<u>45,860</u>	<u>49,572</u>	<u>3,712</u>
Total other financing sources:	<u>45,860</u>	<u>49,572</u>	<u>3,712</u>
Net change in fund balances	(7,218)	124	7,342
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>(7,218)</u></u>	<u><u>124</u></u>	<u><u>7,342</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Grants Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Intergovernmental	\$ 13,848,377	4,342,808	(9,505,569)
Miscellaneous revenue	9,903	5,270	(4,633)
Total revenues	<u>13,858,280</u>	<u>4,348,078</u>	<u>(9,510,202)</u>
Expenditures:			
General government	2,716,370	860,481	
Police	152,126	283,219	(131,093)
Fire	2,779,476	2,535,374	244,102
Parks	235,834	100,287	135,547
Municipal court	9,428	4,535	4,893
Library	132,456	4,361	
Community development	6,473,831	557,887	5,915,944
Public works	1,479,791	164,448	1,315,343
Total expenditures	<u>13,979,312</u>	<u>4,510,592</u>	<u>7,484,736</u>
Deficiency of revenues under expenditures	<u>(121,032)</u>	<u>(162,514)</u>	<u>(2,025,466)</u>
Other financing sources:			
Transfers in	98,738	166,239	67,501
Total other financing sources	<u>98,738</u>	<u>166,239</u>	<u>67,501</u>
Net change in fund balances	(22,294)	3,725	26,019
Fund balances, beginning of year	271,653	271,653	-
Fund balances, end of year	<u>\$ 249,359</u>	<u>275,378</u>	<u>26,019</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Convention Center Complex Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 7,167,415	3,982,340	(3,185,075)
Investment income	81,127	66,101	(15,026)
Total revenues	<u>7,248,542</u>	<u>4,048,441</u>	<u>(3,200,101)</u>
Other financing uses:			
Transfers out	<u>(8,965,500)</u>	<u>(7,167,415)</u>	<u>1,798,085</u>
Total other financings uses:	<u>(8,965,500)</u>	<u>(7,167,415)</u>	<u>1,798,085</u>
Net change in fund balances	(1,716,958)	(3,118,974)	(1,402,016)
Fund balances, beginning of year	<u>5,523,759</u>	<u>5,523,759</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,806,801</u>	<u>2,404,785</u>	<u>(1,402,016)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Entertainment Venue Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 9,043,807	4,604,059	(4,439,748)
Investment income	93,173	95,348	2,175
Intergovernmental	1,350,000	1,171,846	(178,154)
Total revenues	<u>10,486,980</u>	<u>5,871,253</u>	<u>(4,615,727)</u>
Expenditures:			
General government	1,500	1,353	147
Community development	6,891,585	3,185,119	3,706,466
Total expenditures	<u>6,893,085</u>	<u>3,186,472</u>	<u>3,706,613</u>
Excess of revenues over expenditures	3,593,895	2,684,781	(909,114)
Other financing uses:			
Transfers out	<u>(4,806,799)</u>	<u>(4,800,449)</u>	<u>6,350</u>
Total other financing uses:	<u>(4,806,799)</u>	<u>(4,800,449)</u>	<u>6,350</u>
Net change in fund balances	(1,212,904)	(2,115,668)	(902,764)
Fund balances, beginning of year	8,675,182	8,675,182	-
Fund balances, end of year	<u>\$ 7,462,278</u>	<u>6,559,514</u>	<u>(902,764)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – HQ Hotel Public Space Fund
Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Taxes	\$ 2,495,965	447,240	(2,048,725)
Investment income	-	2,365	2,365
Intergovernmental	-	1,161,878	1,161,878
Total revenues	<u>2,495,965</u>	<u>1,611,483</u>	<u>(884,482)</u>
Expenditures:			
Community development	<u>36,437</u>	<u>-</u>	<u>36,437</u>
Total expenditures	<u>36,437</u>	<u>-</u>	<u>36,437</u>
Excess of revenues over expenditures	2,459,528	1,611,483	(848,045)
Other financing uses:			
Transfers out	<u>(2,459,528)</u>	<u>(1,761,648)</u>	<u>697,880</u>
Total other financings uses	<u>(2,459,528)</u>	<u>(1,761,648)</u>	<u>697,880</u>
Net change in fund balances	-	(150,165)	(150,165)
Fund balances, beginning of year	<u>353,657</u>	<u>353,657</u>	<u>-</u>
Fund balances, end of year	<u>\$ 353,657</u>	<u>203,492</u>	<u>(150,165)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Museum Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 374,762	215,834	(158,928)
Charges for services	50,500	2,086	(48,414)
Investment income	18,000	19,254	1,254
Intergovernmental	-	7,500	7,500
Miscellaneous	206,550	57,216	(149,334)
Total revenues	649,812	301,890	(347,922)
Expenditures:			
Community development	2,187,850	1,300,070	887,780
Total expenditures	2,187,850	1,300,070	887,780
Deficiency of revenues under expenditures	(1,538,038)	(998,180)	539,858
Other financing uses:			
Transfers out	(898)	-	898
Total other financing uses:	(898)	-	898
Net change in fund balances	(1,538,936)	(998,180)	540,756
Fund balances, beginning of year	2,687,970	2,687,970	-
Fund balances, end of year	\$ 1,149,034	1,689,790	540,756

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – HUD Grants Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Intergovernmental	\$ 13,921,932	3,458,922	(10,463,010)
Miscellaneous:			
Program income	(453,021)	53,277	506,298
Revolving Loan Payment	87	37,766	37,679
Donations	2,497	1,213	(1,284)
Interest Income	(89)	38	127
Total revenues	<u>13,471,406</u>	<u>3,551,216</u>	<u>(9,920,190)</u>
Expenditures:			
Community development	<u>12,270,348</u>	<u>4,114,056</u>	<u>8,156,292</u>
Total expenditures	<u>12,270,348</u>	<u>4,114,056</u>	<u>8,156,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,201,058</u>	<u>(562,840)</u>	<u>(1,763,898)</u>
Other financing uses:			
Transfers in	(14,270)	-	14,270
Transfers out	(214,150)	(26,540)	187,610
Total other financing uses	<u>(228,420)</u>	<u>(26,540)</u>	<u>201,880</u>
Net change in fund balances	972,638	(589,380)	(1,562,018)
Fund deficit, beginning of year	<u>(1,620,656)</u>	<u>(1,620,656)</u>	<u>-</u>
Fund deficit, end of year	\$ <u><u>(648,018)</u></u>	<u><u>(2,210,036)</u></u>	<u><u>(1,562,018)</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Library Grant Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Intergovernmental	\$ 47,000	23,645	(23,355)
Other grant revenue	47,000	-	(47,000)
Donations	95,000	23,836	(71,164)
Total revenues	<u>189,000</u>	<u>47,481</u>	<u>(141,519)</u>
Expenditures:			
Library	144,000	76,916	67,084
Total expenditures	<u>144,000</u>	<u>76,916</u>	<u>67,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,000</u>	<u>(29,435)</u>	<u>(74,435)</u>
Net change in fund balances	45,000	(29,435)	(74,435)
Fund balances, beginning of year	45,453	45,453	-
Fund balances, end of year	<u>\$ 90,453</u>	<u>16,018</u>	<u>(74,435)</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Special Revenue Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Miscellaneous	\$ 152,000	190,179	38,179
Total revenues	<u>152,000</u>	<u>190,179</u>	<u>38,179</u>
Expenditures:			
General government	-	785	(785)
Fire	43,181	2,897	40,284
Police	50,000	46,044	3,956
Parks	30,000	4,495	25,505
Nondepartmental	2,000	-	2,000
Library	223,000	63,205	159,795
Community development	17,047	-	17,047
Total expenditures	<u>365,228</u>	<u>117,426</u>	<u>247,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(213,228)</u>	<u>72,753</u>	<u>285,981</u>
Net change in fund balances	(213,228)	72,753	285,981
Fund balances, beginning of year	488,267	488,267	-
Fund balances, end of year	<u>\$ 275,039</u>	<u>561,020</u>	<u>285,981</u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Emergency Management Grant Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	\$ 373,191	254,029	(119,162)
Program income	1,380	-	(1,380)
Miscellaneous Income	-	359	359
Total revenues	<u>374,571</u>	<u>254,388</u>	<u>(120,183)</u>
Expenditures:			
Police	<u>420,843</u>	<u>345,303</u>	<u>75,540</u>
Total expenditures	<u>420,843</u>	<u>345,303</u>	<u>75,540</u>
Deficiency of revenues under expenditures	<u>(46,272)</u>	<u>(90,915)</u>	<u>(44,643)</u>
Other financing uses:			
Transfers in	-	6,163	
Total other financing uses	<u>-</u>	<u>6,163</u>	<u>-</u>
Net change in fund balances	<u>(46,272)</u>	<u>(84,752)</u>	<u>(38,480)</u>
Fund balances, beginning of year	<u>(44,677)</u>	<u>(44,677)</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ (90,949)</u></u>	<u><u>(129,429)</u></u>	<u><u>(38,480)</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Red Light Enforcement Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Fines, forfeitures, and penalties	\$ <u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Traffic	<u>-</u>	<u>340</u>	<u>(340)</u>
Total expenditures	<u>-</u>	<u>340</u>	<u>(340)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(340)</u>	<u>(340)</u>
Other financing uses:			
Transfers out	<u>(197,750)</u>	<u>(197,750)</u>	<u>-</u>
Total other financing uses	<u>(197,750)</u>	<u>(197,750)</u>	<u>-</u>
Net change in fund balances	<u>(197,750)</u>	<u>(198,090)</u>	<u>(340)</u>
Fund balances, beginning of year	<u>565,517</u>	<u>565,517</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>367,767</u></u>	<u><u>367,427</u></u>	<u><u>(340)</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Housing Finance Corporation Fund

Year ended September 30, 2020

	Budget	Actual	Variance positive (negative)
Revenues:			
Sale of Property	\$ -	-	-
Miscellaneous	-	2	2
Total revenues	-	2	2
Expenditures:			
Community development	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures	-	2	2
Net change in fund balances	-	2	2
Fund balances, beginning of year	182,888	182,888	-
Fund balances, end of year	\$ 182,888	182,890	2

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – PEG Fee Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Taxes	\$ <u>365,000</u>	<u>417,471</u>	<u>52,471</u>
Total revenues	<u>365,000</u>	<u>417,471</u>	<u>52,471</u>
Expenditures:			
Community development	<u>372,065</u>	<u>228,899</u>	<u>143,166</u>
Total expenditures	<u>372,065</u>	<u>228,899</u>	<u>143,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,065)</u>	<u>188,572</u>	<u>195,637</u>
Net change in fund balances	(7,065)	188,572	195,637
Fund balances, beginning of year	<u>885,306</u>	<u>885,306</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>878,241</u></u>	<u><u>1,073,878</u></u>	<u><u>195,637</u></u>

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Golf Club Fund

Year ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Revenues:			
Miscellaneous	\$ <u>1,053,125</u>	<u>1,088,041</u>	<u>34,916</u>
Total revenues	<u>1,053,125</u>	<u>1,088,041</u>	<u>34,916</u>
Expenditures:			
Parks	<u>1,312,200</u>	<u>1,046,630</u>	<u>265,570</u>
Total expenditures	<u>1,312,200</u>	<u>1,046,630</u>	<u>265,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(259,075)</u>	<u>41,411</u>	<u>300,486</u>
Other financing sources:			
Transfers in	<u>259,075</u>	<u>65,000</u>	<u>(194,075)</u>
Total other financing sources:	<u>259,075</u>	<u>65,000</u>	<u>(194,075)</u>
Net change in fund balances	-	106,411	106,411
Fund balances, beginning of year	<u>102,941</u>	<u>102,941</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>102,941</u></u>	<u><u>209,352</u></u>	<u><u>106,411</u></u>

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department for another. The City's Internal Service Funds are as follows:

Garage and Equipment Replacement – This fund is to account for the repair, maintenance, and replacement of all City vehicles. The Garage and Equipment Replacement Fund accounts for all City vehicles, and charges user departments for the costs of servicing and replacing City vehicles. The charges are allocated to the various departments in proportion to the number and types of vehicles operated by the department and in proportion to the extent of the use of the maintenance service.

Self-Insurance – This fund is to account for the City's self-insurance programs. The City is self-insured for workers' compensation, general liability, auto physical damage, and employees' medical benefits for those who elect the City's coverage. The City's group life insurance coverage is also included in this fund for financial reporting convenience.

Technology – This fund is to provide for all information technology operation, maintenance and capital purchases. The individual departments transfer money into this fund each year based on these replacements.

City of Irving, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2020

	Garage and Equipment Replacement	Health Self- insurance	Technology	Total Nonmajor Internal service funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,079,482	\$ 10,853,372	\$ 2,687,713	\$ 19,620,567
Investments	10,447,603	18,922,208	1,999,044	31,368,855
Account receivable	-	32,781	-	32,781
Accrued interest	39,750	61,428	473	101,651
Inventories, at cost	98,748	-	-	98,748
Prepays	-	425,000	-	425,000
Total current assets	<u>16,665,583</u>	<u>30,294,789</u>	<u>4,687,230</u>	<u>51,647,602</u>
Noncurrent assets:				
Buildings	147,980	-	-	147,980
Equipment	58,819,319	-	7,827,923	66,647,242
Accumulated depreciation	(41,388,866)	-	(7,369,214)	(48,758,080)
Total noncurrent assets	<u>17,578,433</u>	<u>-</u>	<u>458,709</u>	<u>18,037,142</u>
Total assets	<u>34,244,016</u>	<u>30,294,789</u>	<u>5,145,939</u>	<u>69,684,744</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	225,479	-	450,961	676,440
Deferred outflows from OPEB	26,339	-	52,678	79,017
Total deferred outflows of resources	<u>251,818</u>	<u>-</u>	<u>503,639</u>	<u>755,457</u>
LIABILITIES				
Current liabilities:				
Accounts payable	353,431	844,742	1,997,236	3,195,409
Accrued wages and benefits	121,805	-	211,644	333,449
Lease payable	1,366,163	-	-	1,366,163
Other payables	-	2,701	-	2,701
Estimated liability for unpaid claims	-	4,558,762	-	4,558,762
Total current liabilities	<u>1,841,399</u>	<u>5,406,205</u>	<u>2,208,880</u>	<u>9,456,484</u>
Noncurrent liabilities:				
Lease payable	1,218,574	-	-	1,218,574
Net Pension Liability	1,132,820	-	1,384,286	2,517,106
Total OPEB Liability	167,065	-	334,130	501,195
Estimated liability for unpaid claims	-	3,317,894	-	3,317,894
Total noncurrent liabilities	<u>2,518,459</u>	<u>3,317,894</u>	<u>1,718,416</u>	<u>7,554,769</u>
Total liabilities	<u>4,359,858</u>	<u>8,724,099</u>	<u>3,927,296</u>	<u>17,011,253</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	247,804	-	577,686	825,490
Deferred inflows from OPEB	14,524	-	29,047	43,571
Total deferred inflows of resources	<u>262,328</u>	<u>-</u>	<u>606,733</u>	<u>869,061</u>
NET POSITION				
Net investment in capital assets	14,993,695	-	458,709	15,452,404
Restricted for:				
Unrestricted	14,879,953	21,570,690	656,840	37,107,483
Total net position	<u>\$ 29,873,648</u>	<u>\$ 21,570,690</u>	<u>\$ 1,115,549</u>	<u>\$ 52,559,887</u>

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2020

	Garage and Equipment Replacement	Health Self- insurance	Technology	Total Internal service funds
OPERATING REVENUES				
Charges for services	\$ 12,923,410	\$ 30,328,022	\$ 13,518,410	\$ 56,769,842
Miscellaneous	38,951	112,700	-	151,651
Total operating revenues	<u>12,962,361</u>	<u>30,440,722</u>	<u>13,518,410</u>	<u>56,921,493</u>
OPERATING EXPENSES				
Personnel services	2,414,919	-	4,263,775	6,678,694
Contractual services	21,309	2,536,319	574,039	3,131,667
Supplies	3,883,947	-	4,018,139	7,902,086
Maintenance	184,605	-	4,416,311	4,600,916
Utilities	13,186	-	-	13,186
Depreciation	3,960,925	-	156,919	4,117,844
Claims	-	26,096,648	-	26,096,648
Other	4,867	-	676,397	681,264
Insurance premiums	-	3,166,064	-	3,166,064
Interest and fiscal charges	31,593	-	-	31,593
Total operating expenses	<u>10,515,351</u>	<u>31,799,031</u>	<u>14,105,580</u>	<u>56,419,962</u>
Operating income (loss)	<u>2,447,010</u>	<u>(1,358,309)</u>	<u>(587,170)</u>	<u>501,531</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	174,740	375,345	7,099	557,184
Interest and fiscal charges	(38,454)	-	-	(38,454)
Gain (loss) on sale of capital assets	415,230	-	-	415,230
Total nonoperating revenues (expenses)	<u>551,516</u>	<u>375,345</u>	<u>7,099</u>	<u>933,960</u>
Income (loss) before transfers	<u>2,998,526</u>	<u>(982,964)</u>	<u>(580,071)</u>	<u>1,435,491</u>
Transfers out	-	(1,500,000)	(37,486)	(1,537,486)
Transfers in	-	-	1,500,000	1,500,000
	<u>-</u>	<u>(1,500,000)</u>	<u>1,462,514</u>	<u>(37,486)</u>
Change in net position	<u>2,998,526</u>	<u>(2,482,964)</u>	<u>882,443</u>	<u>1,398,005</u>
Net position - beginning	26,875,122	24,053,654	1,936,403	52,865,179
Change in accounting principle	<u>-</u>	<u>-</u>	<u>(1,703,297)</u>	<u>(1,703,297)</u>
Net position - as adjusted	26,875,122	24,053,654	233,106	51,161,882
Net position - ending	<u>\$ 29,873,648</u>	<u>\$ 21,570,690</u>	<u>\$ 1,115,549</u>	<u>\$ 52,559,887</u>

City of Irving, Texas
Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	Garage and Equipment Replacement	Health Self- insurance	Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 12,923,411	\$ 30,310,443	\$ 13,518,410	\$ 56,752,264
Payment to insurance claims	-	(25,847,063)	-	(25,847,063)
Payments to suppliers	(4,074,487)	(2,538,227)	(7,885,731)	(14,498,445)
Payments to employees	(2,347,819)	-	(2,230,620)	(4,578,439)
Cash received from miscellaneous operating activities	38,949	112,699	-	151,648
Other payments	-	(2,536,319)	-	(2,536,319)
Net cash provided by (used in) operating activities	<u>6,540,054</u>	<u>(498,467)</u>	<u>3,402,059</u>	<u>9,443,646</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	1,500,000	1,500,000
Transfer to other funds	-	(1,500,000)	(37,486)	(1,537,486)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(1,500,000)</u>	<u>1,462,514</u>	<u>(37,486)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payment on lease payable	(1,576,100)	-	-	(1,576,100)
Interest payment on lease payable	(38,454)	-	-	(38,454)
Proceeds from sale of capital assets	415,230	-	-	415,230
Acquisition of capital assets	(5,030,941)	-	(240,467)	(5,271,408)
Net cash used in capital and related financing activities	<u>(6,230,265)</u>	<u>-</u>	<u>(240,467)</u>	<u>(6,470,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	198,776	505,909	15,904	720,589
Purchase of investments	(13,414,362)	(28,321,908)	(1,999,044)	(43,735,314)
Maturity of investments	10,879,584	31,580,698	739,914	43,200,196
Net cash provided by (used in) investing activities	<u>(2,336,002)</u>	<u>3,764,699</u>	<u>(1,243,226)</u>	<u>185,471</u>
Net increase (decrease) in cash and cash equivalents	(2,026,213)	1,766,232	3,380,880	3,120,899
Cash and cash equivalents - beginning of year	8,105,695	9,087,140	1,010,130	18,202,965
Restatement, change in accounting principle	-	-	(1,703,297)	(1,703,297)
Cash and cash equivalents - end of the year	<u>6,079,482</u>	<u>10,853,372</u>	<u>2,687,713</u>	<u>19,620,567</u>
Classified as:				
Current assets - unrestricted	6,079,482	10,853,372	2,687,713	19,620,567
Total	<u>\$ 6,079,482</u>	<u>\$ 10,853,372</u>	<u>\$ 2,687,713</u>	<u>\$ 19,620,567</u>

(continued)

City of Irving, Texas
Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2020

	Garage and Equipment Replacement	Health Self- insurance	Technology	Total
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:				
Operating Income	\$ 2,447,010	\$ (1,358,309)	\$ (587,170)	\$ 501,531
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	3,960,925	-	156,919	4,117,844
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Increase in customer receivables	-	(32,781)	-	(32,781)
Decrease in inventory	30,499	-	-	30,499
Decrease in prepaids	-	15,200	-	15,200
(Increase) decrease in deferred outflow from pensions	458,315	-	(450,961)	7,354
Increase in deferred outflow from OPEB	(8,958)	-	(52,678)	(61,636)
Increase in accounts payable	34,520	679,440	1,799,156	2,513,116
Decrease in sundry payable	-	(51,603)	-	(51,603)
Increase in OPEB payable	6,331	-	334,130	340,461
increase (decrease) in pension liability	(592,809)	-	1,384,286	791,477
Increase in salaries and benefits payable	7,993	-	211,644	219,637
Increase in estimated liability for unpaid claims	-	249,586	-	249,586
Increase in deferred inflow from pensions	189,455	-	577,686	767,141
Increase in deferred inflow from OPEB	6,773	-	29,047	35,820
Net cash provided by (used in) operating activities	<u>\$ 6,540,054</u>	<u>\$ (498,467)</u>	<u>\$ 3,402,059</u>	<u>\$ 9,443,646</u>

(concluded)



Trust and Agency Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Funds are as follows:

Pension Trust Funds

Supplemental Benefit Plan – This fund is to account for funds held to provide retirement income to City employees. The plan is funded through contributions from the City and employees' payroll deductions. The plan was established to provide retirement income to supplement benefits provided through the Texas Municipal Retirement System.

Voluntary Employee Beneficiary Association – This fund is to account for funds held to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. Funds can also be used to offset active employee health insurance premiums. The plan is funded through contributions from the City.

Agency Funds

Cash Bond – This fund is to account for cash bonds posted by an individual accused of committing a crime. The amount of the bond will be sufficient to cover any potential fines. The bonds of those who fail to appear are forfeited and recorded as General Fund revenues. Bonds of those who do appear are returned, net of any penalties or fines.

City of Irving, Texas
Combining Statement of Fiduciary Net Position - Pension Trust Funds
September 30, 2020

	Supplemental Benefit Plan	Voluntary Employee Benefit Association	Total Pension trust funds
ASSETS			
Cash and cash equivalents	\$ 4,610,292	\$ 141,057	\$ 4,751,349
Account receivable	160,193	-	160,193
Accrued interest	78,902	-	78,902
Investments			
Federal	5,570,668	-	5,570,668
Common Stock	15,805,796	-	15,805,796
Foreign Stock	9,108,018	-	9,108,018
Alternative Investment hedge Fund	14,673,843	-	14,673,843
Mutual Funds	19,106,689	-	19,106,689
Corporate Bonds	4,763,613	-	4,763,613
Foreign Bonds	275,581	-	275,581
Total Cash	<u>74,153,595</u>	<u>141,057</u>	<u>74,294,652</u>
Total assets	<u>74,153,595</u>	<u>141,057</u>	<u>74,294,652</u>
NET POSITION			
Restricted for:			
Pensions	74,153,595	141,057	74,294,652
Total net position	<u>\$ 74,153,595</u>	<u>\$ 141,057</u>	<u>\$ 74,294,652</u>

City of Irving, Texas
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds
For the Year Ended September 30, 2020

	Supplemental Benefit Plan	Voluntary Employee Benefit Association	Total Pension trust funds
ADDITIONS			
Contributions:			
Employee contributions	\$ 2,863,813	\$ -	\$ 2,863,813
Employer contributions	2,445,741	-	2,445,741
Total contributions	<u>5,309,554</u>	<u>-</u>	<u>5,309,554</u>
Investment earnings:			
Net increase in fair value of investments	2,841,705	-	2,841,705
Investment income	2,997,204	-	2,997,204
Total investment earnings	<u>5,838,909</u>	<u>-</u>	<u>5,838,909</u>
Less investment costs:			
Investment expense	325,126	-	325,126
Net investment earnings	<u>5,513,783</u>	<u>-</u>	<u>5,513,783</u>
Total additions	<u>10,823,337</u>	<u>-</u>	<u>10,823,337</u>
DEDUCTIONS			
Benefits and refunds paid	3,686,917	20,756	3,707,673
Administrative costs	106,289	-	106,289
Total deductions	<u>3,793,206</u>	<u>20,756</u>	<u>3,813,962</u>
Net increase (decrease) in fiduciary net position	7,030,131	(20,756)	7,009,375
Net Position -- beginning of the year	67,123,464	161,813	67,285,277
Net Position -- end of the year	<u><u>\$ 74,153,595</u></u>	<u><u>\$ 141,057</u></u>	<u><u>\$ 74,294,652</u></u>

City of Irving, Texas
Statement of Fiduciary Net Position
Agency Fund
September 30, 2020

<u>Cash Bond Fund</u>	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2020</u>
Assets:				
Cash and cash equivalents	\$ 22,740	139,325	157,380	\$ 4,685
Total assets	<u>22,740</u>	<u>139,325</u>	<u>157,380</u>	<u>4,685</u>
Liabilities:				
Sundry payables	22,740	199,918	217,973	4,685
Total liabilities	<u>\$ 22,740</u>	<u>199,918</u>	<u>217,973</u>	<u>\$ 4,685</u>

CITY OF IRVING, TEXAS

Statistical Section (Unaudited)

This part of the City of Irving's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	154
These schedules contain trend information to help the readers understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	164
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	170
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	175
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	180
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF IRVING, TEXAS

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:					
Net investment in capital assets	\$ 336,269	\$ 313,508	\$ 307,145	\$ 287,777	\$ 302,297
Restricted	47,770	57,316	66,824	78,508	89,993
Unrestricted	<u>32,383</u>	<u>35,147</u>	<u>42,383</u>	<u>31,746</u>	<u>(23,930)</u>
Total governmental activities net position	<u>\$ 416,422</u>	<u>\$ 405,971</u>	<u>\$ 416,352</u>	<u>\$ 398,031</u>	<u>\$ 368,360</u>
Business-type activities:					
Net investment in capital assets	\$ 253,903	\$ 262,333	\$ 268,767	\$ 273,032	\$ 290,324
Restricted	10,420	10,618	11,341	11,093	11,103
Unrestricted	<u>54,309</u>	<u>65,000</u>	<u>73,204</u>	<u>78,761</u>	<u>68,523</u>
Total business-type activities net position	<u>\$ 318,632</u>	<u>\$ 337,951</u>	<u>\$ 353,312</u>	<u>\$ 362,886</u>	<u>\$ 369,950</u>
Primary government:					
Net investment in capital assets	\$ 590,172	\$ 575,841	\$ 575,912	\$ 560,809	\$ 592,621
Restricted	58,190	67,934	78,165	89,601	101,097
Unrestricted	<u>86,692</u>	<u>100,147</u>	<u>115,587</u>	<u>110,507</u>	<u>44,592</u>
Total primary government net position	<u>\$ 735,054</u>	<u>\$ 743,922</u>	<u>\$ 769,664</u>	<u>\$ 760,917</u>	<u>\$ 738,310</u>

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt issuance now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 1

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 306,679	\$ 314,198	\$ 433,549	\$ 461,299	\$ 485,290
107,018	128,948	126,169	57,389	57,603
<u>(30,480)</u>	<u>(33,891)</u>	<u>(38,749)</u>	<u>(32,096)</u>	<u>(37,980)</u>
<u>\$ 383,217</u>	<u>\$ 409,255</u>	<u>\$ 520,969</u>	<u>\$ 486,592</u>	<u>\$ 504,913</u>
\$ 312,096	\$ 337,869	\$ 362,612	402,262	\$ 404,920
11,332	12,024	11,895	11,788	11,261
<u>61,751</u>	<u>66,224</u>	<u>82,235</u>	<u>68,293</u>	<u>85,733</u>
<u>\$ 385,179</u>	<u>\$ 416,117</u>	<u>\$ 456,742</u>	<u>\$ 482,343</u>	<u>\$ 501,914</u>
\$ 618,775	\$ 652,067	\$ 796,161	863,562	\$ 890,210
118,350	140,973	138,064	69,177	68,864
<u>31,271</u>	<u>32,332</u>	<u>43,487</u>	<u>36,197</u>	<u>47,752</u>
<u>\$ 768,396</u>	<u>\$ 825,372</u>	<u>\$ 977,712</u>	<u>\$ 968,936</u>	<u>\$ 1,006,826</u>

CITY OF IRVING, TEXAS

Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses					
Governmental activities:					
General government	\$ 34,892	\$ 35,741	\$ 36,685	\$ 31,865	\$ 40,429
Police	54,712	53,943	56,113	56,605	73,179
Fire	36,349	37,142	39,778	39,457	40,783
Public health & environmental services	-	-	-	-	-
Animal Services	925	892	1,291	1,380	1,754
Parks and recreation	15,304	15,508	15,738	16,640	20,323
Municipal court	3,036	2,918	2,920	2,923	3,697
Library	6,488	6,448	6,391	6,844	8,829
Community development	32,656	27,393	23,482	37,323	35,564
Drainage utilities	-	-	-	-	-
Public works	25,185	25,945	26,857	33,786	30,365
Interest on long-term debt	16,900	16,283	20,305	20,530	20,465
Total governmental activities expenses	<u>226,447</u>	<u>222,213</u>	<u>229,560</u>	<u>247,353</u>	<u>275,388</u>
Business-type activities:					
Water and sanitary sewer	72,151	66,593	70,189	75,350	82,733
Solid waste	10,562	10,541	10,928	10,951	12,477
Municipal Drainage	6,205	5,177	5,445	5,651	6,749
Total business-type activities expenses	<u>88,918</u>	<u>82,311</u>	<u>86,562</u>	<u>91,952</u>	<u>101,959</u>
Total primary government expenses	<u>\$ 315,365</u>	<u>\$ 304,524</u>	<u>\$ 316,122</u>	<u>\$ 339,305</u>	<u>377,347</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 4,449	\$ 4,430	\$ 5,631	\$ 5,173	\$ 6,409
Police	5,203	5,588	5,705	5,576	5,000
Fire	3,695	4,076	4,130	3,953	4,217
Public health & environmental services	-	-	-	-	-
Municipal court	7,459	8,743	7,810	7,470	6,509
Community development	3,890	1,382	1,349	1,535	1,563
Drainage Utilities	-	-	-	-	-
Other	2,362	2,388	2,448	2,755	2,656
Operating grants and contributions	12,997	10,686	11,190	11,159	12,815
Capital grants and contributions	6,631	1,694	2,174	2,842	7,041
Total governmental activities program revenues	<u>46,686</u>	<u>38,987</u>	<u>40,437</u>	<u>40,463</u>	<u>46,210</u>
Business-type activities:					
Charges for services:					
Water and sewer	85,404	84,382	85,157	82,397	84,826
Solid waste	11,204	11,238	11,130	11,716	12,449
Municipal Drainage	5,247	5,242	5,250	5,527	5,241
Capital grants and contributions	1,405	1,543	1,054	2,257	5,676
Total business-type activities program revenues	<u>103,260</u>	<u>102,405</u>	<u>102,591</u>	<u>101,897</u>	<u>108,192</u>
Total primary government program revenues	<u>\$ 149,946</u>	<u>\$ 141,392</u>	<u>\$ 143,028</u>	<u>\$ 142,360</u>	<u>\$ 154,401</u>

(continued)

Schedule 2

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 42,468	\$ 41,430	\$ 43,122	\$ 34,703	\$ 51,261
61,715	65,431	66,527	75,956	73,073
47,935	52,978	53,450	60,864	58,574
-	-	-	-	-
1,693	1,915	-	-	-
19,288	18,428	19,391	20,423	16,379
2,996	3,248	3,168	3,499	3,248
8,085	8,218	7,850	8,500	8,219
35,217	35,600	40,167	112,261	42,742
-	-	-	-	-
30,045	32,658	36,592	41,445	36,879
<u>20,281</u>	<u>21,929</u>	<u>19,602</u>	<u>19,195</u>	<u>19,435</u>
<u>269,723</u>	<u>281,835</u>	<u>289,869</u>	<u>376,846</u>	<u>309,811</u>
83,728	86,772	87,168	94,748	97,478
12,230	11,916	12,382	14,026	14,564
<u>5,775</u>	<u>5,790</u>	<u>5,536</u>	<u>5,242</u>	<u>5,702</u>
<u>101,733</u>	<u>104,478</u>	<u>105,086</u>	<u>114,016</u>	<u>117,745</u>
<u>371,456</u>	<u>386,313</u>	<u>394,955</u>	<u>490,862</u>	<u>427,556</u>
\$ 5,274	\$ 6,250	\$ 5,235	\$ 6,615	\$ 4,996
5,822	8,388	6,738	5,179	3,893
4,683	5,207	5,694	6,247	6,653
-	-	-	-	-
4,953	5,480	5,834	5,954	3,859
2,657	2,195	2,196	1,222	930
-	-	-	-	-
3,204	3,156	2,752	2,597	2,406
13,759	14,405	15,980	17,730	11,997
<u>5,928</u>	<u>8,262</u>	<u>90,591</u>	<u>6,946</u>	<u>5,531</u>
<u>46,280</u>	<u>53,343</u>	<u>135,020</u>	<u>52,491</u>	<u>40,267</u>
92,380	106,758	112,052	104,760	108,179
13,149	15,203	17,063	16,926	17,197
5,234	5,254	5,306	5,394	7,197
<u>6,391</u>	<u>7,286</u>	<u>11,378</u>	<u>10,140</u>	<u>4,000</u>
<u>117,154</u>	<u>134,501</u>	<u>145,799</u>	<u>137,222</u>	<u>136,573</u>
<u>\$ 163,433</u>	<u>\$ 187,844</u>	<u>\$ 280,819</u>	<u>\$ 189,712</u>	<u>\$ 176,840</u>

(continued)

City of Irving, Texas

Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expenses)/Program Revenues					
Governmental activities	\$ (179,761)	\$ (183,226)	\$ (189,123)	\$ (206,889)	\$ (229,178)
Business-type activities	<u>14,342</u>	<u>20,094</u>	<u>16,029</u>	<u>9,946</u>	<u>6,234</u>
Total primary government net expenses	<u>(165,419)</u>	<u>(163,132)</u>	<u>(173,094)</u>	<u>(196,943)</u>	<u>(222,945)</u>
 General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	96,490	99,163	103,374	106,352	112,750
Sales taxes	48,212	48,067	53,214	56,356	64,626
Gross receipts taxes	19,961	19,130	19,316	20,041	19,964
Hotel / motel occupancy taxes	18,031	18,939	20,869	22,977	24,617
Other taxes and fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	257	177	233	204	250
Miscellaneous	270	1,761	1,561	1,372	1,156
Special Item - landfill closure and post closure	-	-	-	-	-
Special Item - sale of real estate	-	-	-	-	-
Special Item - loss on loan commitment	-	(15,984)	-	-	-
Special Item - loss on development	-	-	-	(19,512)	-
Gain on sale of assets	404	626	114	276	162
Transfers	<u>1,367</u>	<u>896</u>	<u>825</u>	<u>500</u>	<u>500</u>
Total governmental activities	<u>184,992</u>	<u>172,775</u>	<u>199,506</u>	<u>188,566</u>	<u>224,025</u>
Business-type activities:					
Investment income	143	121	157	130	124
Special Item - landfill closure and post closure	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	<u>(1,367)</u>	<u>(896)</u>	<u>(825)</u>	<u>(500)</u>	<u>(500)</u>
Total business-type activities	<u>(1,224)</u>	<u>(775)</u>	<u>(668)</u>	<u>(370)</u>	<u>(376)</u>
Total primary government	<u>183,768</u>	<u>172,000</u>	<u>198,838</u>	<u>188,196</u>	<u>223,649</u>
 Change in Net Position					
Governmental activities	5,231	(10,451)	10,383	(18,323)	(5,153)
Business-type activities	<u>13,118</u>	<u>19,319</u>	<u>15,361</u>	<u>9,576</u>	<u>5,857</u>
Total primary government	<u>\$ 18,349</u>	<u>\$ 8,868</u>	<u>\$ 25,744</u>	<u>\$ (8,747)</u>	<u>\$ 704</u>

(continued)

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt now expensed at the time of
Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 2

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ (223,441)	\$ (228,492)	\$ (154,850)	\$ (324,356)	\$ (269,545)
<u>15,420</u>	<u>30,023</u>	<u>40,713</u>	<u>23,206</u>	<u>18,828</u>
<u>(208,021)</u>	<u>(198,469)</u>	<u>(114,137)</u>	<u>(301,150)</u>	<u>(250,716)</u>
124,478	136,148	143,328	154,261	167,600
65,247	67,933	68,964	76,735	76,774
20,110	20,889	21,427	20,099	18,103
25,764	26,286	26,151	27,725	16,279
-	176	2,008	1,996	1,073
-	-	-	570	1,927
917	2,175	5,207	7,633	4,200
1,005	874	760	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
211	197	75	99	1,108
<u>566</u>	<u>(144)</u>	<u>1,011</u>	<u>861</u>	<u>800</u>
<u>238,298</u>	<u>254,534</u>	<u>268,931</u>	<u>289,979</u>	<u>287,864</u>
375	771	1,876	3,258	1,466
-	-	-	-	-
-	-	-	-	76
<u>(566)</u>	<u>144</u>	<u>(1,011)</u>	<u>(861)</u>	<u>(800)</u>
<u>(191)</u>	<u>915</u>	<u>865</u>	<u>2,397</u>	<u>742</u>
<u>238,107</u>	<u>255,449</u>	<u>269,796</u>	<u>292,376</u>	<u>288,607</u>
14,857	26,042	114,081	(34,378)	18,319
<u>15,229</u>	<u>30,938</u>	<u>41,577</u>	<u>25,603</u>	<u>19,570</u>
<u>\$ 30,086</u>	<u>\$ 56,980</u>	<u>\$ 155,658</u>	<u>\$ (8,776)</u>	<u>\$ 37,890</u>
				(concluded)

CITY OF IRVING, TEXAS

Fund Balances of Governmental funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:					
Non-spendable	\$ 1,090	\$ 88	\$ 60	\$ 41	\$ 174
Committed	3,500	-	-	-	-
Assigned	13,244	18,161	22,365	19,962	6,378
Unreserved/unassigned	<u>17,973</u>	<u>22,271</u>	<u>29,034</u>	<u>32,067</u>	<u>54,022</u>
 Total General Fund	 <u>\$ 35,807</u>	 <u>\$ 40,520</u>	 <u>\$ 51,459</u>	 <u>\$ 52,070</u>	 <u>\$ 60,574</u>
 All other governmental funds:					
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -
 Restricted for:					
Debt service	19,518	22,708	22,407	28,560	33,745
Police	1,243	1,611	1,423	1,514	1,601
Parks and recreation	3,318	1,563	1,908	2,838	3,258
Library	5,017	11,150	8,481	2,652	-
Community development	38,926	43,279	50,578	94,476	97,416
Public works	26,443	23,529	29,333	41,631	22,494
Other purposes	3,792	11,969	14,702	6,503	10,415
Assigned to:					
Parks and recreation	1,688	1,420	3,156	1,049	649
Public works	4,064	2,652	2,744	4,116	1,023
Other capital projects	703	1,464	961	2,905	824
Unassigned	<u>-</u>	<u>(724)</u>	<u>(1,274)</u>	<u>(1,170)</u>	<u>(1,101)</u>
 Total all other governmental funds	 <u>\$ 104,712</u>	 <u>\$ 120,621</u>	 <u>\$ 134,419</u>	 <u>\$ 185,074</u>	 <u>\$ 170,324</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal Year 2011.

Schedule 3

Fiscal Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 61	\$ 44	\$ 179	\$ 182	\$ 10
-	550	650	3,224	100
6,181	5,877	5,056	3,757	71
<u>54,922</u>	<u>61,229</u>	<u>64,139</u>	<u>71,942</u>	<u>83,065</u>
<u>\$ 61,164</u>	<u>\$ 67,700</u>	<u>\$ 70,024</u>	<u>\$ 79,104</u>	<u>\$ 83,246</u>
\$ 54	\$ 2	\$ 3	\$ 3	\$ 3
34,095	31,742	20,454	20,482	-
1,313	1,509	1,532	2,107	2,707
2,834	4,617	3,674	4,322	10,262
-	-	-	-	244
88,872	124,313	105,074	36,187	35,944
36,049	51,042	72,570	70,130	57,938
9,470	4,584	10,748	20,001	9,647
1,864	1,477	1,412	6,421	684
2,628	3,005	2,560	18,429	1,077
287	611	441	1,580	17,798
<u>(692)</u>	<u>(502)</u>	<u>(615)</u>	<u>(1,669)</u>	<u>2,315</u>
<u>\$ 176,774</u>	<u>\$ 222,400</u>	<u>\$ 217,853</u>	<u>\$ 177,993</u>	<u>\$ 138,619</u>

CITY OF IRVING, TEXAS

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues					
Taxes	\$182,848	\$185,219	\$195,866	\$207,208	\$221,700
Fees, licenses, & permits	8,277	8,940	9,516	9,622	9,765
Fines, forfeitures & penalties	9,230	10,021	9,363	8,422	8,495
Charges for services	1,289	1,051	1,278	1,283	1,405
Intergovernmental	21,823	18,618	19,273	19,177	20,504
Investment income	248	147	201	191	218
Sale of property	270	2	1	42	-
Miscellaneous	13,521	8,749	9,724	8,898	9,747
Total revenues	<u>237,506</u>	<u>232,747</u>	<u>245,222</u>	<u>254,843</u>	<u>271,834</u>
Expenditures					
General government	40,350	39,009	40,436	34,526	37,988
Police	53,454	51,959	51,615	54,407	55,588
Fire	33,767	33,732	34,298	36,642	38,013
Animal Services	919	872	1,301	1,382	1,533
Parks and recreation	12,941	12,833	13,116	13,966	14,824
Municipal court	2,970	2,794	3,008	2,851	2,886
Library	6,018	5,816	5,899	6,279	6,647
Community development	29,987	25,680	24,191	34,257	33,831
Drainage utilities	-	-	-	-	-
Public Works	14,167	15,468	16,212	17,194	16,868
Debt service - principal	15,565	13,825	15,615	18,335	16,110
Debt service - interest	17,717	17,727	18,539	20,244	23,074
Debt service - contract payments	2,052	2,323	2,289	2,584	1,831
Capital outlay	39,556	12,845	25,033	44,774	41,846
Total expenditures	<u>269,463</u>	<u>234,883</u>	<u>251,552</u>	<u>287,441</u>	<u>291,039</u>
Deficiency of revenues under expenditures	(31,957)	(2,136)	(6,330)	(32,598)	(19,205)
Other financing sources (uses)					
Transfer in	29,540	16,304	23,660	21,801	25,278
Transfers out	(31,443)	(15,408)	(22,835)	(21,301)	(24,778)
Bond proceeds	6,505	21,398	29,763	80,235	12,205
Premium on bonds issued	3,867	383	581	1,744	630
Proceeds of refunding bonds	51,825	30,047	5,775	24,660	10,565
Loan proceeds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Payment to refunded bond agent	(55,024)	(29,966)	(5,876)	(23,275)	(10,941)
Total other financing sources (uses)	<u>5,270</u>	<u>22,758</u>	<u>31,068</u>	<u>83,864</u>	<u>12,959</u>
Net change in fund balances	<u>\$ (26,687)</u>	<u>\$ 20,622</u>	<u>\$ 24,738</u>	<u>\$ 51,266</u>	<u>\$ (6,246)</u>
Debt service as a percentage of noncapital expenditures	17.59%	24.05%	16.17%	14.64%	17.30%

Schedule 4

Fiscal Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$235,577	\$250,150	\$261,389	\$280,806	\$279,896
9,962	11,396	10,369	10,688	11,440
7,665	9,854	8,292	7,031	4,282
1,196	1,483	1,148	1,140	4,344
22,303	20,999	22,703	25,097	22,468
820	1,937	4,575	6,555	3,643
-	-	-	-	-
11,176	11,577	9,569	10,941	3,116
<u>288,699</u>	<u>307,396</u>	<u>318,045</u>	<u>342,258</u>	<u>329,189</u>
43,150	40,873	42,470	46,131	47,615
58,526	59,917	65,047	68,169	71,188
41,669	44,331	46,613	48,804	52,428
1,684	1,807	-	-	-
16,045	16,365	17,324	18,064	16,774
2,846	2,972	3,186	3,202	3,189
7,115	6,986	6,990	7,132	7,240
35,976	39,459	52,841	113,044	44,278
-	-	-	-	-
19,099	20,447	21,401	21,163	20,849
20,400	22,210	26,610	26,965	30,840
21,614	22,587	34,281	24,450	23,161
162	177	158	138	144
42,420	48,771	57,003	40,885	52,212
<u>310,706</u>	<u>326,902</u>	<u>373,923</u>	<u>418,145</u>	<u>369,918</u>
(22,007)	(19,505)	(55,879)	(75,888)	(40,729)
26,233	20,815	23,000	44,878	27,840
(25,667)	(20,167)	(21,988)	(44,017)	(27,003)
24,830	68,148	46,065	37,685	86,590
6,449	7,650	16,933	6,281	12,770
18,365	30,405	107,610	7,740	-
-	-	-	-	-
-	-	-	1,355	719
<u>(21,163)</u>	<u>(35,185)</u>	<u>(117,964)</u>	<u>(8,814)</u>	<u>(71,570)</u>
<u>29,047</u>	<u>71,666</u>	<u>53,656</u>	<u>45,108</u>	<u>29,346</u>
<u>\$ 7,040</u>	<u>\$ 52,161</u>	<u>\$ (2,223)</u>	<u>\$ (30,781)</u>	<u>\$ (11,383)</u>

18.55% 15.65% 18.87% 14.11% 16.94%

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2011	14,489,719,443	4,325,358,790	1,738,763,643	17,076,314,590	0.5761
2012	14,053,559,590	4,379,200,039	1,726,293,841	16,706,465,788	0.5986
2013	14,477,941,179	4,581,909,748	1,704,519,446	17,355,331,481	0.5986
2014	15,108,000,600	4,706,099,281	1,739,100,396	18,074,999,485	0.5986
2015	16,337,848,517	4,793,780,413	1,842,898,409	19,288,730,521	0.5941
2016	17,631,447,648	5,531,180,324	1,991,668,357	21,170,959,615	0.5941
2017	19,392,673,254	5,791,151,146	2,199,427,628	22,984,396,772	0.5941
2018	20,800,268,437	5,863,804,617	2,393,829,735	24,270,243,319	0.5941
2019	22,876,353,886	5,813,995,843	2,668,806,656	26,021,543,073	0.5941
2020	24,804,506,173	6,509,169,125	2,898,283,782	28,415,391,516	0.5941

Source: Dallas Central Appraisal District - Original Certified Tax Roll

Property Tax Rates - Direct and Overlapping (Per \$100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal year	City of Irving			Irving School District	Dallas County	Total (1)
	General fund	Debt Service fund	Total			
2011	0.4152	0.1609	0.5761	1.4650	0.6233	2.66
2012	0.4415	0.1571	0.5986	1.4650	0.6238	2.69
2013	0.4462	0.1524	0.5986	1.4650	0.6434	2.71
2014	0.4452	0.1534	0.5986	1.4650	0.6538	2.72
2015	0.4518	0.1423	0.5941	1.4350	0.6639	2.69
2016	0.4650	0.1291	0.5941	1.4450	0.6628	2.70
2017	0.4641	0.1300	0.5941	1.4450	0.6547	2.69
2018	0.4650	0.1291	0.5941	1.4314	0.6567	2.68
2019	0.4741	0.1200	0.5941	1.4011	0.6565	2.65
2020	0.4741	0.1200	0.5941	1.3051	0.6466	2.55

Source: Irving Independent School District and Dallas County

(1) Dallas County rates include all jurisdictions for which ad valorem taxes are applicable to the entire City. These Rates have been presented using the assessment ratio applied by the City of Irving in each respective year. Certain jurisdictions have been omitted for which immaterial amounts of taxing authority are applicable to the City.



CITY OF IRVING, TEXAS

Schedule 7

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
Boeing Distribution, Inc	\$1,548,951,030	1	5.45%	\$ 788,421,810	1	4.62%
777 HR Associates	375,000,000	2	1.32%	-	-	-
PPF Almi	253,835,000	3	0.89%	163,813,700	2	0.96%
AGRE Williams Square	250,000,000	4	0.88%	-	-	-
Oncor Electric Delivery	245,044,080	5	0.58%	-	-	-
AVR Hidden Ridge LLC	164,483,930	6	0.86%	82,219,440	7	0.48%
Neiman Marcus Distribution	158,584,130	7	0.56%	-	-	-
PCPI Urban Towers	151,682,670	8	0.53%	-	-	-
Quality Investment PPTIES	133,500,000	9	0.47%	-	-	-
Citicorp	119,499,790	10	0.42%	57,085,000	10	0.32%
Zale Delaware	-	-	-	127,757,740	3	0.75%
TIAA Realty, Inc	-	-	-	122,458,000	4	0.72%
GTE Realty Corp	-	-	-	98,229,760	5	0.57%
Ericsson	-	-	-	92,527,580	6	0.54%
Dr. Pepper Co of Texas	-	-	-	72,853,310	8	0.43%
Verizon	-	-	-	72,752,060	9	0.42%
SP Millenium Center LP	-	-	-	68,000,000	10	0.40%
Total	<u>\$3,400,580,630</u>		<u>11.97%</u>	<u>\$ 1,746,118,400</u>		<u>10.20%</u>

Source: City of Irving Economic and Demographic Data Book

* Taxable Assessed Value offset by active incentive agreements

CITY OF IRVING, TEXAS

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended September 30	Certified Current Tax Levy (1)	Adjusted Current Tax Levy(2)	Percent of Adjusted to Certified Levy	Adopted Budget(1)	Percent of Budget to Certified Levy
2011	97,411,005	96,450,762	99.01%	96,436,895	99.00%
2012	98,959,048	99,091,917	100.13%	96,980,029	98.00%
2013	103,633,782	103,255,236	99.63%	101,820,191	98.25%
2014	108,196,947	107,208,410	99.09%	106,303,500	98.25%
2015	114,592,842	112,920,392	98.54%	112,587,467	98.25%
2016	125,776,671	124,403,343	98.91%	123,575,579	98.25%
2017	136,550,301	134,945,113	98.82%	134,160,671	98.25%
2018	144,189,516	142,974,210	99.16%	141,666,199	98.25%
2019	154,593,987	153,252,399	99.13%	151,888,593	98.25%
2020	168,815,841	167,295,608	99.10%	166,283,603	98.50%

Note: Collections do not include penalty and interest on delinquent taxes.

Source:

(1) City of Irving Annual Adopted Budget Book

(2) Dallas County Tax Office Collection Report

Schedule 8

Amount Collected in FY(2)	Percent Collected to Certified Levy	Percent Collected to Adj Levy	Collections/ Adjustments in Subsequent Years	Total Collections/ Adjustments to date	
				Amount	Percent of Levy
96,343,911	98.90%	99.89%	28,765	96,372,676	99.92
98,969,145	100.01%	99.88%	50,214	99,019,359	99.93
103,079,275	99.46%	99.83%	87,875	103,167,150	99.91
106,917,355	98.82%	99.73%	175,316	107,092,671	99.89
112,551,833	98.22%	99.67%	199,351	112,751,184	99.85
123,945,407	98.54%	99.63%	228,088	124,173,495	99.82
134,248,640	98.31%	99.48%	460,487	134,709,127	99.83
142,140,339	98.58%	99.42%	531,487	142,671,825	99.79
152,402,183	98.58%	99.45%	455,234	152,857,417	99.74
166,134,981	98.41%	99.31%	N/A	166,134,981	99.31

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities								
<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Special Revenue Bonds (1)</u>	<u>Revenue Bonds</u>	<u>Notes Payable</u>	<u>Lease Payable</u>	<u>Total Governmental Activities</u>		
2011	207,030,162	154,037,136	-	2,300,000	1,880,847	365,248,145		
2012	213,066,951	153,614,008	29,095,000	1,760,000	1,389,789	398,925,748		
2013	216,145,596	164,987,535	28,945,000	1,200,000	887,024	412,165,155		
2014	221,062,158	224,932,843	28,790,000	615,000	1,123,263	476,523,264		
2015	216,579,200	224,103,254	28,630,000	-	455,437	469,767,891		
2016	225,813,843	229,985,493	27,490,000	-	2,229,161	485,518,497		
2017	238,072,700	259,742,151	26,295,000	-	5,667,267	529,777,118		
2018	266,356,036	249,007,801	25,045,000	-	5,709,736	546,118,573		
2019	283,178,881	243,686,532	23,740,000	-	4,431,785	555,037,198		
2020	283,086,050	237,117,458	22,370,000	-	2,783,608	545,357,116		
	<u>Water/ Sewer Revenue Bonds (1)</u>	<u>Water Supply Obligations</u>	<u>Municipal Drainage Revenue Bonds (1)</u>	<u>Total Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Percentage of Effective Buying Income (2)</u>	<u>Per Capita (2)</u>	
2011	194,140,387	18,466,852	2,030,762	214,638,001	579,886,146	10.55%	2,672.66	
2012	195,002,943	18,173,675	1,952,366	215,128,984	614,054,732	10.77%	2,782.32	
2013	198,495,880	17,870,961	4,576,383	220,943,224	633,108,379	10.72%	2,867.99	
2014	182,996,266	17,558,399	4,392,873	204,947,538	681,470,802	11.13%	3,001.68	
2015	179,303,407	17,235,670	4,204,485	200,743,562	670,511,453	10.87%	2,932.44	
2016	180,361,770	16,902,442	4,006,229	201,270,441	686,788,938	10.55%	2,972.60	
2017	185,412,837	16,558,375	3,808,108	205,779,320	735,556,437	10.58%	3,133.89	
2018	184,315,772	16,203,114	3,605,120	204,124,006	750,242,579	10.30%	3,159.05	
2019	182,656,009	15,836,298	3,397,269	201,889,576	756,926,774	10.06%	3,148.35	
2020	180,286,238	15,457,549	18,405,829	214,149,616	759,506,732	9.53%	3,133.15	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Net of premiums

(2) See schedule 14 on Demographic and Economic Statistics for Effective Buying Income and population data.

**Ratios of Net General Bonded Debt
Last Ten Fiscal Years**
(Unaudited)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Taxable Assessed Value (2)</u>	<u>General Bonded Debt</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Taxable Value of Property</u>	<u>Net General Bonded Debt Per Capita</u>
2011	216,970	17,076,314,590	207,030,162	7,310,659	199,719,503	1.17%	920.49
2012	220,699	16,706,465,788	213,066,951	8,114,949	204,952,002	1.23%	928.65
2013	220,750	17,355,331,481	216,145,596	8,518,968	207,626,628	1.20%	940.55
2014	227,030	18,074,999,485	221,062,158	8,154,486	212,907,672	1.18%	937.80
2015	228,653	19,288,730,521	216,579,200	8,208,138	208,371,062	1.08%	911.30
2016	231,040	21,170,959,615	225,813,843	8,262,713	217,551,130	1.03%	941.62
2017	234,710	22,984,396,772	238,072,700	9,931,310	228,141,390	0.99%	972.01
2018	237,490	24,270,243,319	266,356,036	10,894,175	255,461,861	1.05%	1,075.67
2019	240,420	26,021,543,073	283,178,881	11,532,449	271,646,432	1.04%	1,129.88
2020	242,410	28,415,391,516	284,336,849	12,695,095	271,641,754	0.96%	1,120.59

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: (1) Population estimates provided by the North Central Texas Council of Governments
(2) Dallas Central Appraisal District

CITY OF IRVING, TEXAS

Schedule 11

Computation of Direct and Overlapping Debt
September 30, 2020
(Unaudited)

Jurisdiction	Net Debt Outstanding		Percent Applicable to City of Irving (1)	Amount applicable to City of Irving
	Amount	As of		
Carrollton- Farmers Branch ISD	\$ 198,810,000	9/30/2020	32.44%	64,493,964
Coppell ISD	367,610,979	9/30/2020	29.57%	108,702,566
Dallas County	130,445,000	9/30/2020	9.62%	12,548,809
Dallas County Community College District	165,470,000	9/30/2020	9.62%	15,918,214
Dallas County Hospital District	622,000,000	9/30/2020	9.12%	56,726,400
Dallas County Utility Reclamation Dist.	169,355,000	9/30/2020	100.00%	169,355,000
Dallas County Schools	27,204,352	9/30/2020	9.12%	2,481,037
Grand Prairie ISD	452,125,000	9/30/2020	4.31%	19,486,588
Grapevine-Colleyville ISD	399,400,437	9/30/2020	10.57%	42,216,626
Irving Flood Control District #1	4,400,000	9/30/2020	93.68%	4,121,920
Irving ISD	376,200,000	9/30/2020	93.80%	352,875,600
Dallas County Flood Control District #1	22,050,000	9/30/2020	96.84%	<u>21,353,220</u>
Total Net Overlapping Debt				870,279,944
City of Irving Direct Debt (2)	555,037,198	9/30/2020	100.00%	<u>555,037,198</u>
Total direct and overlapping debt				<u>\$ 1,425,317,142</u>

** Actual Valuation before Exemptions

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.

Source: Hilltop Securities and Municipal Advisory Council of Texas

(2) Amount represents outstanding GO bonds net of premiums, Special Revenue Bonds net of premiums, Revenue bonds and Capital leases payable reflected in the Governmental Activities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Irving. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin
September 30, 2020
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution states in part:

"...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

As a home rule city, the City of Irving is not limited by law in the amount of debt it may issue. The City's Charter (Article 5, Section 2) states:

"The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Irving now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individual or corporation of not exceeding a total of one dollar and fifty cents (\$1.50) on the One Hundred Dollars (\$100) assessed valuation of said property."

The tax rate for fiscal 2020 was established at \$.5941 per \$100 of assessed valuation with an assessment ratio of approximately 83.1%. The assessment ratio of 83.1% is attributable to old age, disability and homestead exemptions aggregating 5.5% and agricultural tax abatement and other tax-exempt property aggregating 9.9%.

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended September	Gross Revenue (1)	Operating Expense (2)	Pension & OPEB Expense (3)	Net Available Revenue	Average Annual Debt Service (4)	Times Coverage (5) (6)	Maximum Annual Debt Service (4)	Times Coverage (5) (6)
<u>WATER AND SEWER BONDS</u>								
2011	85,541,196	48,800,685	NA	36,740,511	12,753,787	2.88 / NA	20,271,009	1.81 / NA
2012	84,497,101	46,904,560	NA	37,592,541	12,317,126	3.05 / NA	20,691,016	1.82 / NA
2013	85,308,445	50,249,928	NA	35,058,517	12,551,322	2.79 / NA	21,956,960	1.60 / NA
2014	82,520,011	55,046,968	NA	27,473,043	12,056,504	2.28 / NA	21,956,960	1.25 / NA
2015	84,947,278	61,870,294	3,298,895	26,375,879	11,189,219	2.36 / 2.06	21,559,468	1.22 / 1.07
2016	92,741,269	62,500,876	891,179	31,131,572	11,035,695	2.82 / 2.74	22,353,936	1.39 / 1.35
2017	107,483,122	65,125,207	1,211,612	43,569,527	11,254,766	3.87 / 3.76	23,239,207	1.87 / 1.82
2018	113,791,642	64,688,139	377,316	49,103,503	11,226,187	4.37 / 4.34	23,765,613	2.07 / 2.05
2019	107,760,620	70,640,021	1,332,096	37,120,599	11,047,949	3.36 / 3.24	23,414,600	1.59 / 1.53
2020	109,519,255	72,061,179	531,965	37,458,076	10,650,385	3.52 / 3.47	22,479,709	1.67 / 1.64

MUNICIPAL DRAINAGE BONDS (7)

2011	5,252,845	4,130,626	NA	1,122,219	153,070	7.33 / NA	155,893	7.20 / NA
2012	5,247,869	4,032,971	NA	1,214,898	153,135	7.93 / NA	155,893	7.79 / NA
2013	5,255,163	4,122,266	NA	1,132,897	325,286	3.48 / NA	353,036	3.21 / NA
2014	5,534,199	4,324,107	NA	1,210,092	323,995	3.73 / NA	353,036	3.43 / NA
2015	5,244,045	5,378,281	733,000	598,764	322,709	1.86 / -0.42	353,036	1.70 / -0.38
2016	5,242,440	4,361,804	99,020	979,656	320,925	3.05 / 2.74	350,705	2.79 / 2.51
2017	5,274,449	4,335,750	134,624	1,073,323	319,217	3.36 / 2.94	350,705	3.06 / 2.68
2018	5,344,944	3,837,828	155,424	1,507,116	317,340	4.75 / 4.26	350,705	4.30 / 3.85
2019	5,469,126	3,452,860	148,011	2,016,266	315,273	6.40 / 5.93	350,705	5.75 / 5.33
2020	7,230,526	3,687,969	59,107	3,542,557	1,061,429	3.34 / 3.28	1,244,955	2.85 / 2.80

Notes:

- (1) Gross Revenue includes both receipts of pro rata and investment income as defined in revenue bond ordinances.
- (2) As defined in revenue bond ordinances, excludes depreciation and debt service expense. Beginning FY18, also excludes pension and OPEB expense- amounts are based on actuarial valuation.
- (3) GASB 68 implemented in FY15 requires the recognition of pension expense based on actuarial valuations. Pension expense is reflected in personnel services in financials and is broken out separately in this schedule for computation of revenue times coverage. GASB 75 implemented in FY18 requires the recognition of OPEB expense based on actuarial valuations
- (4) As defined in revenue bond ordinances, average annual principal and interest payment, and maximum annual principal and interest of all bonds outstanding at end of fiscal year.
- (5) Before the issuance of parity debt, bond covenants typically require a revenue coverage of 1.25 times the average annual debt service and 1.10 times maximum annual debt service. Net Available Revenues used in this revenue times coverage calculation does not include pension expense.
- (6) Net Available Revenues used in this revenue times coverage calculation includes pension and OPEB expense
- (7) Initial Municipal Drainage revenue bonded debt issued in Fiscal Year 2010.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

(Unaudited)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Effective Buying Income (EBI) (in thousands of dollars) (2)</u>	<u>Per Capita Income (7)</u>	<u>Median Household EBI (3)</u>	<u>Number of Households (3)</u>	<u>Median Age (4)</u>	<u>School Enrollment (5)</u>	<u>Unemployment Rate (6)</u>
2011	216,970	5,494,548	25,324	47,269	91,367	31	45,992	7.7%
2012	220,699	5,700,876	25,831	47,266	91,694	31	57,889	5.8%
2013	220,750	5,905,946	26,754	48,005	92,452	31	56,525	5.4%
2014	227,030	6,122,999	26,970	49,407	93,311	31	54,869	5.1%
2015	228,653	6,166,771	26,970	50,810	83,099	32	53,582	3.6%
2016	231,040	6,508,166	28,169	50,942	82,817	32	53,876	3.7%
2017	234,710	6,953,988	29,628	61,362	84,684	32	58,099	3.2%
2018	237,490	7,281,918	30,662	61,362	85,407	32	58,933	2.9%
2019	240,420	7,525,386	31,301	62,837	84,371	32	49,061	3.0%
2020	242,410	7,969,714	32,877	67,263	83,345	32	49,061	6.2%

Sources: (1) Official City Estimates, Census, and North Central Texas Council of Governments
 (2) Calculated by multiplying population by per capita income divided by 1,000
 (3) North Central Texas Council of Governments
 (4) U. S. Census Bureau, 2000 Census * Median Age only available during census years
 (5) Irving I. S. D., Carrollton-Farmers Branch I. S. D., Coppell I. S. D., North Lake Community College, and University of Dallas
 (6) TRACER. October 2018
 (7) Texas Hometown Locator



Principal Employers
Current Year and Nine Years Ago
(Unaudited)

<u>Employer</u>	2020 (2)			<u>Employer</u>	2011 (1)		
	Employees	Rank	Percent of Total City Employment		Employees	Rank	Percent of Total City Employment
Citigroup, Inc	6,500	1	2.98%	Citigroup, Inc.	7,500	1	1.97%
Vistra Energy	5,400	2	2.48%	Verizon	3,260	2	1.50%
Allstate Insurance	3,068	3	1.38%	Irving Mall	2,100	3	1.18%
Verizon Communications	3,000	4	0.95%	Nokia	1,700	4	0.99%
Irving Mall (WP Glimcher)	2,100	5	0.96%	Allstate Insurance	1,650	5	0.79%
Microsoft Corp	2,075	6	0.93%	NEC Corp of America	1,515	6	0.79%
Christus Health	2,000	7	1.41%	Microsoft	1,351	7	0.59%
YRC Freight	1,941	8	0.89%	Neiman Marcus Direct	1,339	8	0.56%
Baylor Scott-White Medical Center	1,907	9	0.87%	HMS	1,299	9	0.53%
DFW International Airport	1,399	10	0.64%	Zale Corporation	1,250	10	0.47%
Total	<u>29,390</u>		<u>13.49%</u>		<u>22,964</u>		<u>9.37%</u>

Source: (1) North Central Texas Council of Governments & Texas Workforce Commission
(2) Greater Irving - Las Colinas Chamber of Commerce

CITY OF IRVING, TEXAS

City Government Employees by Function/Department
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
By Functions					
General Government	189.00	170.00	163.00	158.00	204.00
Police & Code Enforcement	619.00	620.00	614.00	626.00	606.00
Fire	318.00	318.00	318.00	318.00	369.00
Environmental Services	104.00	104.00	110.00	114.00	116.00
Parks and Recreation	350.00	353.00	330.00	357.00	371.00
Library Services	113.00	113.00	113.00	107.00	102.00
Court Services	41.00	41.00	42.00	42.00	37.00
Community Development	73.00	83.00	93.00	92.00	89.00
Public Works	375.00	349.00	382.00	377.00	320.00
Community Services	<u>75.00</u>	<u>86.00</u>	<u>74.00</u>	<u>72.00</u>	<u>97.00</u>
Total Employees by Function	<u>2,257.00</u>	<u>2,237.00</u>	<u>2,239.00</u>	<u>2,263.00</u>	<u>2,311.00</u>
By Departments					
City Secretary's Office	11.00	11.00	10.00	10.00	9.00
City Manager's Office	5.00	4.00	11.00	16.00	20.00
Police & Code Enforcement	616.00	620.00	614.00	626.00	612.00
Fire	318.00	318.00	318.00	318.00	369.00
Public Health and Env. Services	104.00	104.00	110.00	114.00	116.00
Parks and Recreation	350.00	353.00	330.00	357.00	371.00
Finance	34.00	38.00	22.00	34.00	29.00
Inspections	27.00	31.00	29.00	31.00	31.00
Human Resources	14.00	9.00	18.00	15.00	15.00
Municipal Court Services	41.00	41.00	42.00	42.00	37.00
Library Services	113.00	113.00	113.00	107.00	102.00
Planning and Development	13.00	6.00	18.00	9.00	9.00
City Attorney	17.00	17.00	18.00	17.00	17.00
Public Works	375.00	375.00	382.00	377.00	320.00
General Services	39.00	19.00	45.00	33.00	73.00
Information Technology	42.00	46.00	39.00	39.00	35.00
Community Affairs	30.00	24.00	33.00	30.00	33.00
Housing and Human Services	13.00	13.00	11.00	11.00	11.00
Irving Convention and Visitors Bureau	46.00	46.00	46.00	46.00	43.00
Irving Arts Center	<u>49.00</u>	<u>49.00</u>	<u>30.00</u>	<u>31.00</u>	<u>59.00</u>
Total Employees by Department	<u>2,257.00</u>	<u>2,237.00</u>	<u>2,239.00</u>	<u>2,263.00</u>	<u>2,311.00</u>
By Fund					
General	1,792.00	1,771.00	1,767.00	1,800.00	1,867.00
Water and Sewer	165.00	160.00	161.00	157.00	156.00
Solid Waste Services	89.00	89.00	93.00	97.00	97.00
Garage	19.00	19.00	25.00	26.00	27.00
Grants	16.00	16.00	12.00	12.00	18.00
Hotel Occupancy Tax	98.00	98.00	79.00	80.00	105.00
Municipal Court Funds	1.00	1.00	1.00	0.00	0.00
IT Internal Service Fund	0.00	0.00	0.00	0.00	0.00
Recreation Centers	41.00	41.00	49.00	50.00	0.00
Municipal Drainage Utility	<u>36.00</u>	<u>42.00</u>	<u>52.00</u>	<u>41.00</u>	<u>41.00</u>
Total Employees by Fund	<u>2,257.00</u>	<u>2,237.00</u>	<u>2,239.00</u>	<u>2,263.00</u>	<u>2,311.00</u>

Source: Current and prior years City of Irving Annual Operating Budget documents

Schedule 16

Fiscal Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
198.00	199.00	154.00	131.00	166.00
608.00	614.00	638.00	598.00	650.00
369.00	369.00	372.00	374.00	380.00
116.00	116.00	97.00	97.00	98.00
371.00	372.00	370.00	372.00	372.00
102.00	102.00	102.00	106.00	106.00
37.00	37.00	37.00	37.00	37.00
89.00	89.00	91.00	115.00	91.00
322.00	324.00	373.00	411.00	390.00
<u>97.00</u>	<u>99.00</u>	<u>102.00</u>	84.00	<u>109.00</u>
<u>2,309.00</u>	<u>2,321.00</u>	<u>2,336.00</u>	<u>2,325.00</u>	<u>2,399.00</u>
9.00	9.00	9.00	18.00	18.00
20.00	20.00	20.00	12.00	12.00
608.00	614.00	638.00	598.00	650.00
369.00	369.00	372.00	374.00	380.00
116.00	116.00	97.00	97.00	98.00
371.00	372.00	374.00	372.00	372.00
29.00	29.00	29.00	31.00	32.00
31.00	31.00	33.00	32.00	32.00
15.00	17.00	18.00	18.00	18.00
37.00	37.00	37.00	37.00	37.00
102.00	102.00	102.00	106.00	106.00
9.00	9.00	9.00	10.00	12.00
17.00	17.00	17.00	17.00	18.00
322.00	324.00	326.00	380.00	390.00
73.00	73.00	74.00	31.00	31.00
35.00	33.00	34.00	35.00	37.00
33.00	33.00	32.00	30.00	30.00
11.00	11.00	11.00	11.00	11.00
43.00	43.00	43.00	43.00	43.00
<u>59.00</u>	<u>62.00</u>	<u>61.00</u>	73.00	<u>72.00</u>
<u>2,309.00</u>	<u>2,321.00</u>	<u>2,336.00</u>	<u>2,325.00</u>	<u>2,399.00</u>
1,864.00	1,872.00	1,888.00	1,867.00	1,892.00
157.00	160.00	163.00	164.00	166.00
97.00	97.00	97.00	97.00	98.00
27.00	27.00	27.00	31.00	31.00
19.00	19.00	19.00	19.00	24.00
105.00	109.00	108.00	116.00	115.00
0.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	37.00
0.00	0.00	0.00	0.00	0.00
<u>40.00</u>	<u>36.00</u>	<u>33.00</u>	<u>30.00</u>	<u>35.00</u>
<u>2,309.00</u>	<u>2,321.00</u>	<u>2,336.00</u>	<u>2,325.00</u>	<u>2,399.00</u>

CITY OF IRVING, TEXAS

**Operating Indicators by Function
Last Ten Fiscal Years**

(Unaudited)

	Fiscal Year				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Functions					
Police					
Reported Index Crimes	7,598	6,827	6,833	6,705	6,584
Arrests (Juvenile and Adult)	12,586	12,564	11,710	10,264	8,035
Fire					
Responses (Fire and Ambulance)	32,946	20,262	21,043	23,495	24,948
Inspections	11,728	13,136	12,315	14,064	16,502
Environmental Services					
Tonnage Collected by Sanitation Crews	64,421	62,607	68,172	55,415	47,775
Annual Tons Recycled	12,395	12,229	12,298	10,570	3,147
Health Classes, Events, Presentations	185	237	229	169	397
Animals Handled by Shelter	6,500	6,146	7,829	7,706	8,062
Parks and Recreation					
Customer Svc Rating	97.00%	98.00%	98.00%	99.00%	99.00%
Rec./Athletic/Aquatic Program Participation	530,973	604,014	675,356	637,203	684,115
Park Elements Certified	95.00%	95.00%	95.00%	95.00%	100.00%
Library Services					
Library Visitors	1,100,000	959,181	868,821	787,615	808,299
Library Program Attendance	71,732	55,154	67,083	68,574	68,722
Court Services					
Traffic Violations Filed with Court	72,262	70,902	68,473	48,088	50,462
Community Development					
Subdivision Plats Filed	47	41	75	67	88
Building Inspection Plans Reviewed	4,822	6,385	5,285	5,087	5,224
Building Permits Issued	16,552	15,684	14,844	12,300	13,143
Zoning Cases Filed	48	70	54	84	87
Public Works					
Street Repair: Tons of Asphalt/Crew Hour	3.00	3.10	3.10	3.10	3.00
In House Design and Contract Admin.	\$ 8,800,000	\$ 20,900,000	\$ 16,323,440	\$ 13,061,144	\$ 36,545,971
Traffic Signals Maintained (City Maintained)	203	206	206	206	206
Gallons of Water Pumped (000s)	13,555,730	11,941,810	12,879,440	12,412,954	11,467,400
Drinking Water Samples	2,271	1,821	2,605	2,432	2,265
Wastewater Stoppages Cleared	937	971	952	1,055	1,202
Community Services					
Neighborhood Round Table Attendance	222	275	250	271	198
Partnership Fund Projects Completed	21	18	22	22	20
Arts Center Visual Art Exhibits	24	23	23	27	18
Arts Center Theater Performances	267	232	186	217	519

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 17

Fiscal Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
6,936	6,884	5,767	6,463	6,583
7,448	7,193	7,824	7,629	5,845
26,169	25,761	25,787	25,746	25,300
14,046	15,500	14,812	14,319	12,466
58,113	68,811	67,284	69,772	62,990
3,242	13,361	13,314	16,037	15,897
154	9	12	14	6
7,819	7,480	7,363	7,355	7,008
98.00%	99.00%	98.00%	98.00%	98.00%
685,503	613,921	659,890	592,994	173,487
100.00%	100.00%	100.00%	100.00%	100.00%
868,688	856,566	770,461	760,047	308,049
75,502	80,326	76,076	85,366	40,195
41,018	46,244	48,693	46,708	30,606
69	57	59	61	27
6,651	5,933	7,112	6,983	7,321
14,017	14,726	15,842	15,928	14,032
107	101	94	94	148
3.00	3.00	3.00	3.00	3.00
\$ 26,226,590	\$ 27,345,156	\$ 24,108,490	\$ 15,264,020	\$ 29,328,374
206	206	206	206	206
12,424,100	13,689,570	14,327,480	13,311,651	13,726,450
2,842	3,300	4,431	2,121	1,905
950	811	711	637	580
144	145	170	187	78
9	4	18	21	20
24	25	26	22	12
545	510	610	703	191

CITY OF IRVING, TEXAS

Capital Asset Statistics by Function Last Ten Fiscal Years

(Unaudited)

	Fiscal Year				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Functions					
Police					
Police Vehicles	199	253	341	264	244
Fire					
Fire Fighting Units	26	22	22	22	15
Ambulances	12	12	12	12	8
Parks and Recreation					
Developed Park Acreage	1,451	1,451	1,796	1,796	1,662
Number of Parks	81	81	81	81	81
Public Works					
Miles of Streets	725	850	850	850	850
City Maintained Street Lighting	1,243	1,243	1,243	1,442	1,442
Water Main Miles	688	708	699	702	710
Fire Hydrants	5,558	5,548	5,654	5,715	5,654
Sewer System Miles	630	658	645	650	656
Meters in Service	43,311	44,675	45,230	45,764	44,000

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 18

Fiscal Year				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
267	267	267	282	282
15	17	17	17	17
9	10	10	10	10
1,668	1,668	1,695	1,695	1,705
81	81	85	86	88
850	550	550	550	550
1,442	1,600	1,600	2,041	2,050
715	716	849	724	731
5,831	5,952	6,023	6,162	6,280
659	658	737	664	669
46,966	47,774	48,495	44,932	50,028

